

Ba-Phalaborwa Municipality



“Home of Marula and Wildlife Tourism”

Annual Budget 2012/13 MTREF

Tabled

Vision

"Best tourist destination in Limpopo by 2020"



Mission

- ❖ To ensure financial viability, sound administration and accountable governance for investor attractiveness
- ❖ To render all stakeholders with quality and affordable infrastructure and services for enhancing a safe and better life for all
- ❖ To manage the environment for future sustainable



Values

- Efficiency and accountability
- Innovation and creativity
- Professionalism & hospitality
- Transparency and fairness
- Continuous learning
- Conservation conscious

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Annexure in IDP: Draft Service Delivery Budget Implementation Plan (Section E)

ABBREVIATIONS/ACCRONYMS

ACFO	Acting Chief Financial Officer
CPIX	Consumer Price Index
DoRA	Division of Revenue Act
DPLG	Department of Provincial and Local Government
DLGH	Department of Local Government and Housing
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulation of South Africa
NT	National Treasury
PMS	Performance Management System
PPP	Public-Private Partnerships
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget and Implementation Plan

PART ONE

ANNUAL BUDGET

1. MAYOR'S REPORT

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2. ANNUAL BUDGET RESOLUTIONS

The Council of Ba-Phalaborwa Local Municipality in its seating on 31st May 2012 in the Selwane Thusong Service Centre resolved as follows with regard to the Approved annual Budget for 2012/13 Medium-Term Revenue and Expenditure Framework:

2.1. Adopted Annual Budget for 2012/13 MTREF

Council resolved that the annual budget and MTREF and its supporting tables of the Ba-Phalaborwa municipality for the financial year 2012/13; be approved as set out in the following tables:

Table A1	Budget Summary	Page 21
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Table A9	Asset Management,	Page 35
Table A10	Basic service delivery measures	Page 38

2.2. Annual Budget Supporting Tables for 2010/11 MTREF

That the annual budget of Ba-Phalaborwa municipality for the financial year 2012/13; and indicative figures for the two projected outer years 2013/14 and 2014/15 are approved as set-out in the following supporting tables:

Table SA1	Supporting details to budgeted financial performance	Page 115
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2.3. Property Rates and other municipal tax

Council resolves that **adopted** property rates and other municipal tax as reflected on Tariff Schedule (Annexure A) are **imposed** for the budget year 2012/13

2.4. Tariffs and charges

Council resolves that the tariffs and charges reflected on Tariff Schedule (Annexure A) are **approved** for 2012/13 budget year be adopted for implementation.

2.5. Integrated Development Plan

Council resolves that the Integrated Development Plan be **approved** with this budget.

2.6. Credit Control, Debt Collection

Council resolves that the adopted credit control, debt collection and Consumer Care Policies be approved for 2012/13 financial year

2.7. Indigent Policies

Council resolves that the adopted Indigent Household Consumers Subsidy Policy be approved for 2012/13 financial year.

2.8. Indigent Support

2.8.1. Council resolves to support indigents households **approved** as per adopted indigent household consumer policy

2.8.2. Council further resolves that, in the event that the total subsidy in respect of approved indigents exceeds the budgeted amount, the excess amount be re-allocated from the current provision for bad debts to the relevant indigent subsidies, in view of the fact that the current bad debt is adequately provided for and the resolution related to the approval of the Indigent Policy will remain intact.

2.8.3. Council resolves that for the 2012/13 financial year the indigents are subsidized as set out in adopted Household Consumer and Subsidy Policy and that the subsidy will consist of the following:

- ❖ 6 kl of water per indigent household per month, where metered, alternatively the flat rate levied
- ❖ 50 kw of electricity per indigent household per month, where metered, alternatively the flat rate levied
- ❖ 100% Free refuse removal from residential stands in accordance with the Tariff Schedule
- ❖ 100% Free sewer services to residential stands in accordance with the municipality's Tariff Schedule
- ❖ Payment of Rates and Taxes on a residential property in accordance with the municipality's Property Rates and Tariff Policies
- ❖ Payment of rental on council-occupied residential property in accordance with the municipality's Tariff Policy

2.9. Budget related policies

Council resolves that the following 2012/13 budget related policies be approved:

- ❖ Property Rates Policy
- ❖ Tariff Policy
- ❖ Credit Control Policy
- ❖ Debt Collection Policy
- ❖ Indigent Household Consumer Subsidy policy
- ❖ Supply chain management policy
- ❖ Virements policy
- ❖ Budget policy

2.10. Service Delivery and Budget Implementation Plan (SDBIP)

Council note that the final SDBIP be approved together with the adopted budget

CLLR MD MAAKE

SPEAKER OF BA-PHALABORWA LOCAL MUNICIPALITY COUNCIL

3. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. INTRODUCTION

The 2012/2013 budget marks the first year of the new Council elected on the 18 May 2011. The municipality has faced serious services interruptions on electricity and thus remain a serious challenge. The 2012/13 financial year gives priority to these challenges though the economic meltdown is very capricious in the local market and the world in an entirely . During this transition, all role- players need to work together to ensure that the municipality continue to perform their functions efficiently and effectively without compromise even though the economy is under pressure.

It is particularly important to ensure that implementation of IDP and Budget run smoothly by ensuring that the input on the budget document reflects the financial sustainability of the municipality.

There has been a slightly improvement on our municipality's Medium- Term Revenue and Expenditure Framework budget compared to the previous year budget projection outlook. The increase attributed by fostering partnership to all stakeholders such as Ratepayers Association and other organization such as SANCO despite few challenges still pulling backwards. During the first six (6) months of the financial year, the collection depicted over-collection of R17 million versus the anticipated original budget and as such the municipality has to revise the approved budget upwards from R336 million to R354 million. The revenue growth of the municipality will be slightly affected on the coming years due to non- budgeting of water services items _ revenue and expenditure. The municipality has not lost any status as mentioned by parties seeking the downfall of the municipality, but rather has given the function where its should be located in terms of legislation. The agreement has been entered into between the local municipality and the district municipality to give Ba-Phalaborwa municipality permission to continue collecting revenue for water services and account to the authority by virtue.

The budget gives provision on electricity infrastructure in Phalaborwa town as is currently threatening investors, due to old infrastructure that has resulted on continuous power outages as from November 2011, and other challenges such as dilapidated roads infrastructure and storm water controls in all our areas are also a major concern. The South African economy has demonstrated resilience despite the unsettled international economic conditions. Global developments are likely to hold back higher growth over the short term, resulting in gross domestic product (GDP) growth being expected to slow from 3.1 per cent in 2011 to 2, 7 per cent in 2012. However, the domestic outlook remains positive over the medium term. The world economy strengthens, the GDP growth will accelerate to 3,6 per cent in 2013 and 4,2 per cent 2014, led by robust household consumption and stronger public and private-sector investment.

It is advisable that the municipality service the revenue generated assets such as electricity infrastructure. It has been evidence during the electricity interruptions that revenue collection was on the severe pressure as we had to depend on other services to collect revenue.

The municipality's tariff for the financial year 2012/13 has taken into account all costs associated to delivery of such services, treasury guidelines in terms of MFMA section 42, Circular 48, 51, 54, 55, 58 and 59 together with Nersa guidelines

- Rates- 6% increase but rebate applicable where necessary
- Electricity (introduction of inclining blocks tariff) 21% increase
- Refuse 6% increase
- Other chargeable services at 6%
- Cemetery fee has been revised to reflect cost associated.

It must be noted that basic charge in respect of electricity is increased by 6% on the current charge of R84, 80 Vat exclusive

It must also be noted that the water services tariffs are not highlighted since the District municipality will have to ensure that tariffs in respect of services concern are approved. The District municipality of Mopani is a water authority as such all water and sanitation related expenses will be budget by the authority and Ba-Phalaborwa municipality will continue assist in delivery the service on an agency basis.

The municipality has been advised to adopt a conservative approach when projecting expected revenue and cash receipts

The expenditure estimates for 2012/13 financial year increases as follows:

- Capital expenditure (Grants) - 36%
- Remunerations and social contributions -7.5%
- Bulk purchases – 11%
- General expenses – 18%
- Vehicle expenses – 10%
- Indigent support – 10%
- Repairs and maintenance – 44% less
- Depreciation – 100%
- Contracted services – 60% less

The total revenue decreases from R354 million on adjusted budget to R347,401million.

The total budget for MTREF 2012/13 will be R347,401 million and two outer years respectively R379,991 million and R421,643 million.

The budget funds main strategic focus in terms of the IDP 2012/17 and National priorities. Although the municipality is facing challenges in terms of non payment of services to maximise revenue, the budget prioritizes service delivery programmes in line with National Government priorities.

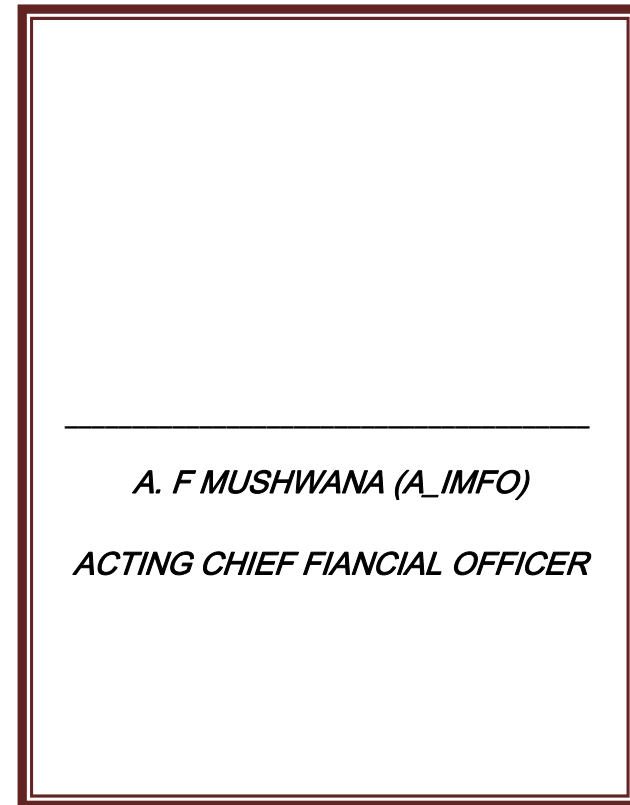
The National government priority set clear tones to the municipal budget are ought to be:

- Capital investment in larger scale public sector infrastructure projects
- Reduction of cost of doing business through targeted interventions
- Stabilisation of growth in interest payments
- More funds to be spent on infrastructure and social

There were assumptions made in determining the annual budget in ensuring funding of approved programmes geared towards Service delivery backlogs and gaps:

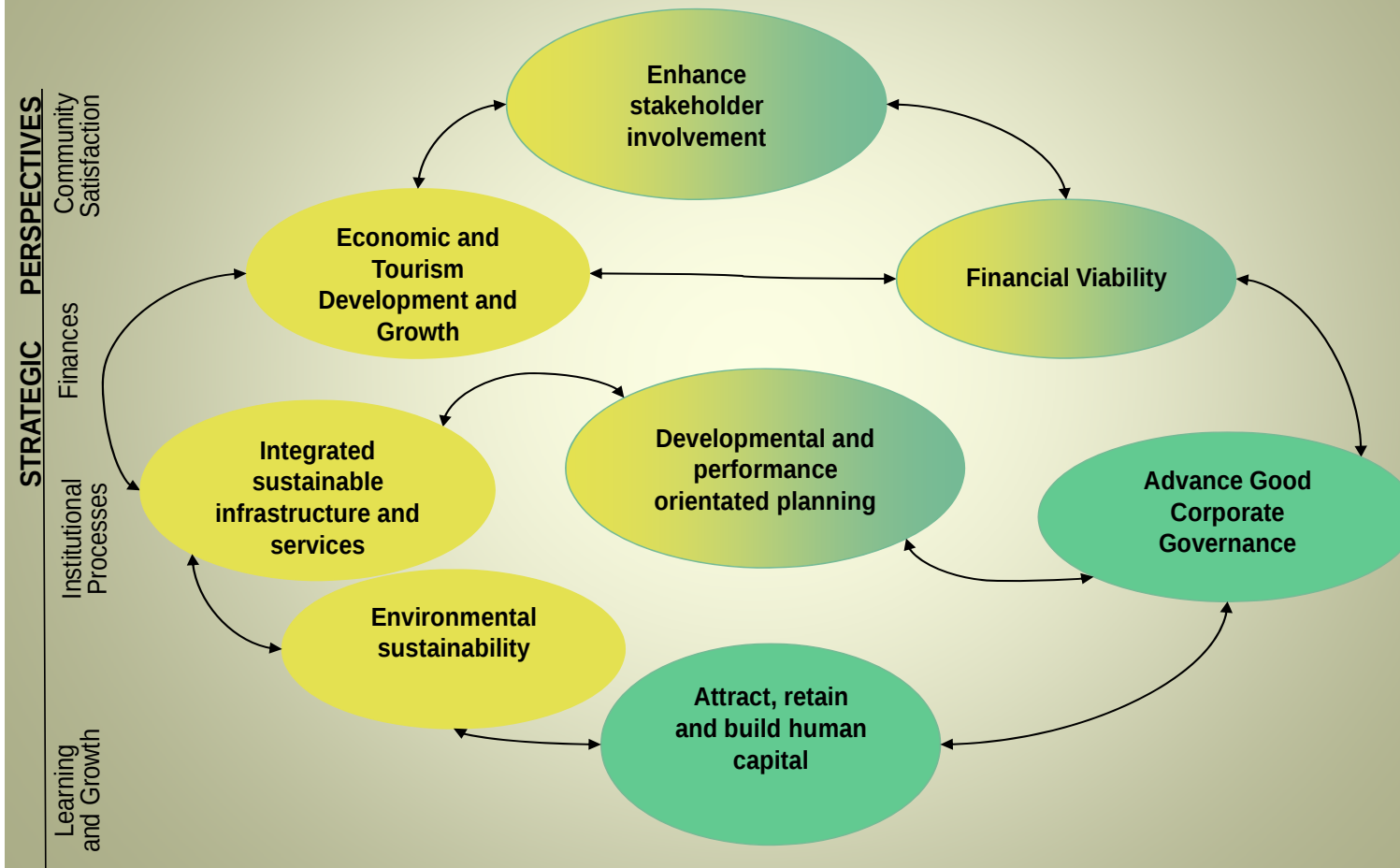
- Dora application in terms of grant funding
- Setting aside funds to fund internal projects that are not funded in the grant
- Allocation of repairs and maintenance to deal with infrastructure for especial revenue generating assets
- Employee related costs taken into account anticipated increase at 6%
- Ward committee stipend
- Prioritizations of critical posts to be filled
- LED support through small business

The budget funds the following main strategic focus of the IDP and service delivery turnaround strategy. The graphical presentation below illustrates the municipality's strategic focus for 2012/13 financial year.



Best Tourist destination in Limpopo by 2020

The Home of Marula and Wildlife Tourism



4. ANNUAL BUDGET TABLES

4.1. BUDGET SUMMARY

LIM334 Ba-Phalaborwa - Table A1 Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Financial Performance</u>										
Property rates	21,200	30,470	33,212	36,200	46,999	46,999	46,999	55,000	60,500	66,550
Service charges	95,512	173,332	150,121	166,394	166,402	166,402	166,402	99,500	109,435	120,214
Investment revenue	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	53,604	41,206	52,547	58,954	59,394	59,394	59,394	64,761	68,494	74,718
Other own revenue	18,390	63,304	26,629	43,810	58,843	58,843	58,843	97,362	107,787	117,892
	188,706	308,312	262,509	305,358	331,637	331,637	331,637	316,623	346,216	379,374
Total Revenue (excluding capital transfers and contributions)										
Employee costs	56,342	106,782	83,143	98,246	98,246	98,246	98,246	88,620	95,835	104,589
Remuneration of councillors	–	–	11,510	11,858	11,858	11,858	11,858	13,043	14,227	15,522
Depreciation & asset impairment	–	–	–	1,010	–	–	–	5,395	5,934	6,528
Finance charges	–	–	937	945	945	945	945	1,140	1,254	1,379
Materials and bulk purchases	19,590	97,329	79,175	94,829	94,829	94,829	94,829	80,000	88,000	96,800
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	131,112	139,513	129,137	129,598	147,888	147,888	147,888	159,203	174,884	196,983
Total Expenditure	207,044	343,624	303,902	336,487	353,766	353,766	353,766	347,401	380,134	421,801
Surplus/(Deficit)	(18,338)	(35,312)	(41,393)	(31,129)	(22,129)	(22,129)	(22,129)	(30,778)	(33,918)	(42,427)
Transfers recognised - capital	18,338	35,312	41,393	31,129	22,129	22,129	22,129	30,778	33,918	42,427
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
	–	–	–	0	0	0	0	(0)	0	0
Surplus/(Deficit) after capital transfers & contributions										
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	–	–	0	0	0	0	(0)	0	0
<u>Capital expenditure & funds sources</u>										
Capital expenditure	25,398	42,312	57,855	45,701	36,701	36,701	36,701	54,117	54,756	60,231
Transfers recognised - capital	18,338	35,312	40,242	31,129	22,129	22,129	22,129	30,778	33,918	42,427
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	7,060	6,000	17,613	14,572	14,572	14,572	14,572	23,339	20,838	17,804

4.2. BUDGETED FINANCIAL PERFORMANCE

LIM334 Ba-Phalaborwa - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)[illegible]

Total Revenue - Standard	2	188,706	273,399	303,902	336,487	353,766	353,766	347,401	380,134	421,801
<u>Expenditure - Standard</u>	-									
<i>Governance and administration</i>		36,139	76,459	80,048	87,034	101,317	101,317	108,207	114,786	125,675
Executive and council		14,977	13,123	26,230	25,775	26,527	26,527	31,676	34,556	37,919
Budget and treasury office		11,978	45,006	32,338	33,943	42,495	42,495	41,307	44,461	48,659
Corporate services		9,184	18,329	21,480	27,315	32,295	32,295	35,224	35,770	39,097
<i>Community and public safety</i>		19,994	34,463	30,914	50,669	41,330	41,330	56,636	62,079	68,346
Community and social services		10,617	23,933	21,672	43,168	33,829	33,829	48,460	53,127	58,544
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		9,377	9,030	9,242	7,501	7,501	7,501	8,177	8,953	9,802
Housing		-	-	-	-	-	-	-	-	-
Health		-	1,500	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		28,396	36,717	68,481	53,062	60,001	60,001	46,387	46,809	51,405
Planning and development		13,682	7,087	16,262	6,464	7,004	7,004	7,991	8,742	9,563
Road transport		14,714	29,630	52,219	46,598	52,997	52,997	38,395	38,067	41,842
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		104,177	125,760	124,460	145,722	151,119	151,119	136,170	156,459	176,375
Electricity		42,143	63,732	65,996	91,655	96,132	96,132	131,468	151,307	170,731
Water		41,334	40,975	31,943	37,262	37,712	37,712	-	-	-
Waste water management		13,581	8,031	12,917	12,287	12,687	12,687	-	-	-
Waste management		7,119	13,022	13,604	4,517	4,587	4,587	4,703	5,152	5,644
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	188,706	273,399	303,902	336,487	353,766	353,766	347,401	380,134	421,801
Surplus/(Deficit) for the year		-	-	-	0	0	0	0	0	(0)

4.3. BUDGETED FINANCIAL PERFORMANCE BY MUNICIPAL VOTE

LIM334 Ba-Phalaborwa - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote	1									
Vote 1 - Executive and Council		14,977	8,044	16,006	–	–	–	–	–	–
Vote 2 - Budget and Treasury Department		11,978	45,006	32,338	121,840	130,790	130,790	197,054	215,116	236,002
Vote 3 - Corporate Services		11,471	18,329	21,480	2,667	2,897	2,897	174	177	180
Vote 4 - Community and Social Services		25,059	47,485	30,914	19,305	19,431	19,431	25,024	28,276	31,654
Vote 5 - Planning and Development		14,682	7,087	16,262	–	400	400	250	275	303
Vote 6 - Technical Services Department		131,350	142,368	163,075	192,676	200,249	200,249	124,899	136,290	153,662
Vote 7 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	209,517	268,320	280,074	336,487	353,766	353,766	347,401	380,134	421,801
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		14,977	8,044	16,006	25,775	26,527	26,527	31,676	34,556	37,919
Vote 2 - Budget and Treasury Department		11,978	45,006	32,338	33,943	42,495	42,495	41,307	44,461	48,659
Vote 3 - Corporate Services		11,471	18,329	21,480	27,315	32,295	32,295	35,224	35,770	39,097
Vote 4 - Community and Social Services		25,059	47,485	30,914	48,510	45,917	45,917	61,339	67,088	73,832
Vote 5 - Planning and Development		14,682	7,087	16,262	6,464	7,004	7,004	7,991	8,742	9,563
Vote 6 - Technical Services Department		131,350	142,368	163,075	194,479	199,528	199,528	169,863	189,518	212,731
Total Expenditure by Vote	2	209,517	268,320	280,074	336,487	353,766	353,766	347,401	380,134	421,801
Surplus/(Deficit) for the year	2	–	–	–	(0)	–	–	0	–	(0)

4.4. BUDGETED MUNICIPAL PERFORMANCE REVENUE AND EXPENDITURE

LIM334 Ba-Phalaborwa - Table A4 Budgeted Financial Performance (revenue and expenditure)[illegible]

Expenditure By Type											
Employee related costs	2	56,342	106,782	83,143	98,246	98,246	98,246	98,246	88,620	95,835	104,589
Remuneration of councillors				11,510	11,858	11,858	11,858	11,858	13,043	14,227	15,522
Debt impairment	3					–			2,300	2,588	2,911
Depreciation & asset impairment	2	–	–	–	1,010	–	–	–	5,395	5,934	6,528
Finance charges				937	945	945	945	945	1,140	1,254	1,379
Bulk purchases	2	19,590	97,329	79,175	94,829	94,829	94,829	94,829	80,000	88,000	96,800
Other materials	8										
Contracted services		–	2,700	8,521	16,897	23,894	23,894	23,894	9,580	8,748	9,623
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	131,112	136,813	120,616	112,701	123,994	123,994	123,994	147,323	163,548	184,449
Loss on disposal of PPE											
Total Expenditure		207,044	343,624	303,902	336,487	353,766	353,766	353,766	347,401	380,134	421,801
Surplus/(Deficit)		(18,338)	(35,312)	(41,393)	(31,129)	(22,129)	(22,129)	(22,129)	(30,778)	(33,918)	(42,427)
Transfers recognised - capital		18,338	35,312	41,393	31,129	22,129	22,129	22,129	30,778	33,918	42,427
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		–	–	–	0	0	0	0	(0)	0	0
Taxation											
Surplus/(Deficit) after taxation		–	–	–	0	0	0	0	(0)	0	0
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		–	–	–	0	0	0	0	(0)	0	0
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		–	–	–	0	0	0	0	(0)	0	0

4.5. BUDGETED CAPITAL EXPENDITURE BY VOTE

LIM334 Ba-Phalaborwa - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Capital expenditure - Vote</u>											
<u>Multi-year expenditure to be appropriated</u>	2										
Vote 1 - Executive and Council		-	-	616	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		-	2,500	1,560	2,500	2,500	2,500	2,500	-	-	-
Vote 3 - Corporate Services		-	11,000	1,945	-	-	-	-	2,939	-	-
Vote 4 - Community and Social Services		240	15,000	15,982	3,000	-	-	-	1,400	-	-
Vote 5 - Planning and Development		9,600	-	75	-	-	-	-	-	-	-
Vote 6 - Technical Services Department		15,558	12,812	37,677	40,201	34,201	34,201	34,201	49,778	-	-
Vote 7 -		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	25,398	41,312	57,855	45,701	36,701	36,701	36,701	54,117	-	-
<u>Single-year expenditure to be appropriated</u>	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Department		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		25,398	41,312	57,855	45,701	36,701	36,701	36,701	54,117	-	-
<u>Capital Expenditure - Standard</u>											
Governance and administration		-	4,500	4,121	2,500	2,500	2,500	2,500	2,939	-	-
Executive and council				616			-				

Budget and treasury office			3,500	1,560	2,500	2,500	2,500	2,500			
Corporate services			1,000	1,945					2,939		
Community and public safety		-	15,000	15,982	3,000	-	-	-	1,400	-	-
Community and social services			13,500	15,862	3,000				1,400		
Sport and recreation											
Public safety				120							
Housing			1,500								
Health											
Economic and environmental services		18,438	22,812	23,767	31,629	22,629	22,629	22,629	26,778	29,456	32,401
Planning and development		9,600		75		-					
Road transport		8,838	22,812	23,692	31,629	22,629	22,629	22,629	26,778	29,456	32,401
Environmental protection						-					
Trading services		240	-	13,985	8,572	11,572	11,572	11,572	23,000	25,300	27,830
Electricity				11,032	7,572	10,572	10,572	10,572	23,000	25,300	27,830
Water				100	500	500	500	500			
Waste water management					500	500	500	500			
Waste management		240		2,853							
Other		6,720									
Total Capital Expenditure - Standard	3	25,398	42,312	57,855	45,701	36,701	36,701	36,701	54,117	54,756	60,231
Funded by:											
National Government		18,338	35,312	40,242	31,129	22,129	22,129	22,129	30,778	33,918	42,427
Provincial Government											
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	18,338	35,312	40,242	31,129	22,129	22,129	22,129	30,778	33,918	42,427
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		7,060	6,000	17,613	14,572	14,572	14,572	14,572	23,339	20,838	17,804
Total Capital Funding	7	25,398	41,312	57,855	45,701	36,701	36,701	36,701	54,117	54,756	60,231

4.6. BUDGETED FINANCIAL POSITION

LIM334 Ba-Phalaborwa - Table A6 Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS											
Current assets											
Cash		–	8,875	11,424	12,566	12,566	12,566	12,566	13,500	9,800	1,550
Call investment deposits	1	–	88	131	144	144	155	167	3,500	2,000	6,500
Consumer debtors	1	–	57,340	102,414	112,656	112,656	112,656	112,656	375,000	300,000	240,000
Other debtors		133,926	–	–	–	–					
Current portion of long-term receivables		88	–	4,778	5,256	5,256	5,256	5,256	18,750	15,000	12,000
Inventory	2	9,697	–	6,500	7,150	7,150	7,150	7,150	8,800	7,200	9,500
Total current assets		143,711	66,303	125,248	137,772	137,772	137,783	137,795	419,550	334,000	269,550
Non current assets											
Long-term receivables		–	–	23,497	25,847	25,847	25,847	25,847			
Investments		–	–	–	–	–					
Investment property		–	–	–	–	–			5,500	6,500	5,500
Investment in Associate		–	–	–	–	–					
Property, plant and equipment	3	–	290,869	961,666	1,057,833	1,057,833	1,057,833	1,057,833	1,163,616	1,279,977	1,407,975
Agricultural			132	146	160	160	160	160	240	360	541
Biological				132	146	146	146	146	218	328	492
Intangible			6,648	1,050	1,155	1,155	1,155	1,155	1,733	2,599	3,898
Other non-current assets											
Total non current assets		–	297,650	986,491	1,085,140	1,085,140	1,085,140	1,085,140	1,171,307	1,289,764	1,418,406
TOTAL ASSETS		143,711	363,953	1,111,739	1,222,913	1,222,913	1,222,923	1,222,935	1,590,857	1,623,764	1,687,956

LIABILITIES											
Current liabilities	-										
Bank overdraft	1										
Borrowing	4	-	1,983	-	-	-	-	-	-	-	-
Consumer deposits				3,168	1,155	1,155	1,155	1,155	3,100	3,600	4,100
Trade and other payables	4	-	242,532	10,244	13,823	13,823	13,823	13,823	-	-	-
Provisions			6,600	27,996		-					
Total current liabilities		-	251,115	41,409	14,978	14,978	14,978	14,978	3,100	3,600	4,100
Non current liabilities											
Borrowing		-	6,000	-	-	-	-	-	-	-	-
Provisions		-	67,000	-	-	-	-	-	-	-	-
Total non current liabilities		-	73,000	-	-	-	-	-	-	-	-
TOTAL LIABILITIES		-	324,115	41,409	14,978	14,978	14,978	14,978	3,100	3,600	4,100
NET ASSETS	5	143,711	39,837	1,070,330	1,207,934	1,207,934	1,207,945	1,207,957	1,587,757	1,620,164	1,683,856
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)			39,837	1,070,330	1,207,934	1,207,934	1,207,934	1,207,934	1,587,757	1,620,164	1,683,856
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	-	39,837	1,070,330	1,207,934	1,207,934	1,207,934	1,207,934	1,587,757	1,620,164	1,683,856

4.7. BUDGETED CASH FLOWS

LIM334 Ba-Phalaborwa - Table A7 Budgeted Cash Flows

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		135,102	251,245	231,162	193,500	193,500	193,500	193,500	194,441	219,602	241,472
Government - operating	1	44,766	57,067	52,547	58,954	58,954	58,954	58,954	64,761	68,494	74,718
Government - capital	1	8,838	35,312	41,393	32,129	32,129	32,129	32,129	30,778	33,918	42,427
Interest		–	–	–	–	–	–	–			
Dividends		–	–	–	–	–	–	–			
Payments											
Suppliers and employees		(134,196)	(299,642)	(269,214)	(242,293)	(242,293)	(242,293)	(242,293)	(252,340)	(267,257)	(297,117)
Finance charges		(906)	(2,670)	(946)	(945)	(945)	(945)	(945)	(1,140)	(1,254)	(1,379)
Transfers and Grants	1	–	–	–	–	–	–	–			
NET CASH FROM/(USED) OPERATING ACTIVITIES		53,604	41,312	54,942	41,345	41,345	41,345	41,345	36,500	53,503	60,121
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	3,500	3,500	3,500	3,500	3,500			
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–			
Decrease (increase) other non-current receivables		–	–	–	–	–	–	–			
Decrease (increase) in non-current investments		–	–	–	–	–	–	–			
Payments											
Capital assets		(8,838)	(41,312)	(57,605)	(44,501)	(44,501)	(44,501)	(44,501)	(29,239)	(33,918)	(42,427)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8,838)	(41,312)	(54,105)	(41,001)	(41,001)	(41,001)	(41,001)	(29,239)	(33,918)	(42,427)

CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–			
Borrowing long term/refinancing		–	–	–	–	–	–	–			
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–			
Payments											
Repayment of borrowing		–	–	(150)	(150)	(150)	(150)	(150)			
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	(150)	(150)	(150)	(150)	(150)	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		44,766	–	687	193	193	193	193	7,261	19,585	17,694
Cash/cash equivalents at the year begin:	2	20,000	64,766	64,766	3,500	3,500	3,500	3,500	3,400	10,661	30,246
Cash/cash equivalents at the year end:	2	64,766	64,766	65,453	3,693	3,693	3,693	3,693	10,661	30,246	47,940

4.8. CASH BACKED RESERVES/ACCUMULATED SURPLUSES

LIM334 Ba-Phalaborwa - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	64,766	64,766	65,453	3,693	3,693	3,693	3,693	10,661	30,246	47,940
Other current investments > 90 days		(64,766)	(55,803)	(53,898)	9,017	9,017	9,028	9,040	6,339	(18,446)	(39,890)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		–	8,963	11,555	12,711	12,711	12,721	12,733	17,000	11,800	8,050
<u>Application of cash and investments</u>											
Unspent conditional transfers		–	7,042	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(136,967)	123,949	(138,420)	(104,968)	(93,077)	(93,077)	(93,077)	(289,506)	(237,218)	(190,226)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(136,967)	130,991	(138,420)	(104,968)	(93,077)	(93,077)	(93,077)	(289,506)	(237,218)	(190,226)
Surplus(shortfall)		136,967	(122,028)	149,975	117,678	105,787	105,798	105,809	306,506	249,018	198,276

4.9. ASSET MANAGEMENT

LIM334 Ba-Phalaborwa - Table A9 Asset Management

[illegible]

Infrastructure - Electricity								360,000		
Infrastructure - Water								241,370		
Infrastructure - Sanitation								120,000		
Infrastructure - Other										
Infrastructure		–	–	–	–	–	–	1,171,370	–	–
Community										
Heritage assets										
Other assets										
Agricultural Assets		–	132	146	160	160	160	240	360	541
Biological assets		–	–	132	146	146	146	218	328	492
Intangibles		–	6,648	1,050	1,155	1,155	1,155	1,733	2,599	3,898
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	6,780	1,328	1,461	1,461	1,461	1,179,061	9,787	10,430
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		–	–	–	1,010	–	–	5,395	5,934	6,528
<u>Repairs and Maintenance by Asset Class</u>	3	–	14,480	8,780	25,800	25,800	25,800	12,650	13,920	15,317
Infrastructure - Road transport		–	2,732	3,036	4,200	4,200	4,200	420	462	508
Infrastructure - Electricity		–	3,068	–	4,500	4,500	4,500	4,950	5,445	5,990
Infrastructure - Water		–	1,000	–	6,200	6,200	6,200	–	–	–
Infrastructure - Sanitation		–	500	–	2,100	2,100	2,100	–	–	–
Infrastructure - Other		–	370	–	1,500	1,500	1,500	1,650	1,815	1,997
Infrastructure		–	7,670	3,036	18,500	18,500	18,500	7,020	7,722	8,494
Community		–	3,120	3,604	3,000	3,000	3,000	3,300	3,630	3,993
Other assets	6, 7	–	3,690	2,139	4,300	4,300	4,300	2,330	2,568	2,830
TOTAL EXPENDITURE OTHER ITEMS		–	14,480	8,780	26,810	25,800	25,800	18,045	19,854	21,845
Renewal of Existing Assets as % of total capex		0.0%	0.0%	43.2%	30.1%	24.4%	24.4%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	1947.2%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	5.0%	0.9%	2.4%	2.4%	2.4%	1.1%	1.1%	1.1%
Renewal and R&M as a % of PPE		0.0%	214.0%	2270.0%	3113.0%	3113.0%	3113.0%	1.0%	142.0%	147.0%

4.10. BASIC SERVICE DELIVERY MEASUREMENT

LIM334 Ba-Phalaborwa - Table A10 Basic service delivery measurement

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling			12,251	–	–	–				
Piped water inside yard (but not in dwelling)			17,082	413	413	413				
Using public tap (at least min.service level)	2		3,812	178	178	178				
Other water supply (at least min.service level)	4		234	591	591	–				
<i>Minimum Service Level and Above sub-total</i>		–	33,379	1,182	1,182	591	–	–	–	–
Using public tap (< min.service level)	3		–	–	–	–				
Other water supply (< min.service level)	4		–	14,056	14,056	14,056				
No water supply			–	1,090	1,090	1,090				
<i>Below Minimum Service Level sub-total</i>		–	–	15,146	15,146	15,146	–	–	–	–
Total number of households	5	–	33,379	16,328	16,328	15,737	–	–	–	–
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)			14,056	19,322	19,322	19,322		19,322	23,186	27,824
Flush toilet (with septic tank)			1,090	–	–	–		–	–	–
Chemical toilet			–	7,958	7,958	7,958		7,958	9,550	11,460
Pit toilet (ventilated)			3,968	6,612	6,612	6,612		6,612	7,934	9,521
Other toilet provisions (> min.service level)			4	14,570	14,570	14,570		14,570	17,484	20,981
<i>Minimum Service Level and Above sub-total</i>		–	19,118	48,462	48,462	48,462	–	48,462	58,154	69,785
Bucket toilet			–	–	–	–				
Other toilet provisions (< min.service level)			–	26,792	26,792	26,792		26,792	32,150	38,580

No toilet provisions			–	–	–	–				
<i>Below Minimum Service Level sub-total</i>		–	–	26,792	26,792	26,792	–	26,792	32,150	38,580
Total number of households	5	–	19,118	75,254	75,254	75,254	–	75,254	90,305	108,366
<u>Energy:</u>										
Electricity (at least min.service level)			33,892	7,000	7,000	7,000		7,000	8,400	10,080
Electricity - prepaid (min.service level)			–	–	–	–				
<i>Minimum Service Level and Above sub-total</i>		–	33,892	7,000	7,000	7,000	–	7,000	8,400	10,080
Electricity (< min.service level)			–	–	–	–				
Electricity - prepaid (< min. service level)			–	–	–	–				
Other energy sources			–	–	–	–				
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	33,892	7,000	7,000	7,000	–	7,000	8,400	10,080
<u>Refuse:</u>										
Removed at least once a week			–	–	–	–				
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week			–	–	–	–				
Using communal refuse dump			–	–	–	–				
Using own refuse dump			–	–	–	–				
Other rubbish disposal			–	–	–	–				
No rubbish disposal			–	–	–	–				
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)			–	–	–	–				
Sanitation (free minimum level service)			–	–	–	–				
Electricity/other energy (50kwh per household per month)			–	–	–	–				

PART TWO

ANNUAL BUDGET SUPPORTING INFORMATION

5. OVERVIEW OF ANNUAL BUDGET

5.1. Schedule of key deadlines relating to budget process

The IDP Calendar presents the IDP review activities to be undertaken by both the District Municipality and Ba-Phalaborwa Municipality during the 2011/12 financial year. The activities are expected to culminate in the adoption of the 2012/13 IDPs of both Mopani District Municipality and Ba-Phalaborwa Municipality.

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	IDP		
July 2011	Preparatory Phase: • District IDP Technical Committee Meeting (IDP Framework and Process Plan). • IDP, Budget & PMS Operational Meeting (IDP Framework & Process Plan) • IDP, Budget & PMS Technical Meeting (IDP Framework & Process Plan) • IDP, Budget & PMS Steering Committee Meeting (Framework & Process Plan) • IDP, Budget & PMS Rep Forum (Framework & Process Plan) • Mayor tables IDP/Budget & PMS Framework & Process Plan in (Special Council)	• 08/06/2011 • 04/07/2011 • 07/07/2011 • 12/07/2011 • 19/07/2011 • 26/07/2011	31 July 2011
	PMS		

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	• Compilation of 2010/11 4th quarterly report • Conclude 2011/12 annual performance agreements • Submit final approved SDBIP	• 01/07/2011-14/07/2011 • 01/07/2011-31/07/2011 • 30/07/2011	
	Budget		
	• Establish Departmental Budget Committees (include councillors & officials).	• 25/07/2011– 05/09/2011	
	IDP		
August 2011	Analysis Phase: • 2010/11 IDP implementation feedback: First Quarter Mayoral Imbizo • Data collection (ward-based planning) • Data analysis and interpretation • Community Satisfaction Survey	• 01/08/2011– 12/08/2011 • 01/08/2011– 31/08/2011 • 01/08/2011– 31/08/2011 • 31/08/2011– 09/09/2011	31 August 2011
	PMS		
	• Make public the 2011/12 SDBIP • Make public 2011/12 annual performance agreements and ensure that copies are submitted to Council	• 15/08/2011 • 15/08/2011	

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	and MEC:DGLH • Submission of 2010/11 Departmental Annual Performance Report • Place 2011/12 annual performance agreements on the municipal website. • Individual performance assessments(2010/11 Fourth Quarter)	• 15/08/2011 • 17/08/2011 • 01/08/2011-31/08/2011	
	Budget		
	• 2010/11 internal analysis of financial and non-financial performance. Determine financial position and assess financial capacity against future strategies.	• 31/08/2011	
	IDP		
September 2011	Analysis Phase (Continue) • IDP, Budget & PMS Operational Meeting (Analysis Phase) • IDP, Budget & PMS Technical Meeting (Analysis Phase) • IDP, Budget & PMS Steering Meeting (Analysis Phase) • IDP, Budget & PMS Rep Forum	• 13/09/2011 • 16/09/2011 • 20/09/2011 • 27/09/2011	31 August 2011

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	(Analysis Phase)		
	PMS		
	- Individual performance assessment report (2010/11 Fourth Quarter) - Submission of Final 2010/11 departmental annual reports	08/09/2011 26/09/2011	
	Budget		
	- Circulate budget schedules to all departments - Consolidate draft core departments business plans & budgets - Review resources frames and financial strategies	30/09/2011– 07/10/2011 07/10/2011– 14/10/2011 30/09/2011 – 4/11/2011	
October 2011	IDP		31 October 2011
	Strategies Phases - Strategic Session - IDP/Budget & PMS Operational Meeting (Strategic Plan)	28/09/2011 – 0/09/2011 27/10/2011	
	PMS		
	Individual performance assessments (2011/12 First Quarter)	01/10/2011-31/10/2011	

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	- Continuation of preparations for 2010/11 annual report utilizing financial and non-financial information first reviewed as part of budget and IDP analysis - Compilation of 2011/12 first quarter institutional performance report.	01/10/2011-31/10/2011 01/10/2011-31/10/2011	
	Budget		
	- Commence preparation for the 2012/15 departmental operational plans and service delivery and budget implementation plan aligned to strategic priorities in IDP and inputs from other stakeholders including government and bulk service providers (and NERSA) - Submission of departmental adjustment budgets - Departmental budgets inputs for 2012/15	12-15/12/2011 15/12/2011 15/12/2011	
	IDP		
November 2011	Strategies Phase (Continue) - IDP/Budget & PMS Technical Meeting (Strategic Plan) - Advisory Board meeting with Municipal Manager - IDP/Budget & PMS Steering	01/11/2011 08/11/2011 18/11/2011	

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	Committee (Strategic Plan) IDP/Budget & PMS Rep. Forum (Strategic Plan)		
	PMS		
	- Individual performance assessments report (2011/12 First Quarter) - Mayoral Imbizo on first quarter performance	14/11/2011 14/11/2011	
	Budget		
	- Community and stakeholder consultation process, review inputs, financial models, assess impacts on tariffs and charges and consider funding decisions including borrowing. Adjust estimates based on plans and resources. Commence consultation on the proposed tariffs. Check the tariff submission date and align. - Draft five year Financial Plan	01/11/2011– 30/11/2011 01/11/2011– 30/11/2011	
IDP			
December 2011	Projects Phase - Develop a list of projects - Projects prioritisation task team establishment (Projects Phase – Projects Prioritisation)	21/11/2011– 02/12/2011 12/12/2011– 19/12/2011	31 December 2011

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	PMS		
	• Oversight training for all Councillors for probing the 2010/11 annual report. • Finalize the draft annual report incorporating financial and non financial information on performance, audit reports and annual financial statements • Present draft annual report to Municipal Manager	• 01/12/2011-14/12/2011 • 15/12/2011 • 19/12/2011	
	IDP		
January 2012	Projects Phase (Continue) • IDP, Budget & PMS Operational Meeting (projects prioritisation) • IDP, Budget & PMS Technical Meeting (projects prioritisation) • Advisory Board meeting with Municipal Manager • IDP, Budget & PMS Steering meeting (projects prioritisation)	• 11/01/2012 • 17/01/2012 • 25/01/2012	
	PMS		

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
January 2012	• Compilation of 2011/12 Mid-year report • Mayor tables 2010/11 annual report to council • Make public the 2010/11 annual report and invite comments from local community, submit report to Auditor-General, Provincial Treasury & DLGH • Consider monthly & mid-year reports for the period ended 31 December 2011. • Review implementation of budget and service delivery plan (SDBIP), identify problems and amend or recommend appropriate amendments. Submit report to council and make public any amendments to the SDBIP by the end of January 2012 • Mayor reports to Council the status of next three year budget, 2010/11 annual report (including AFS & audit report) and summarizes overall findings of 2010/11 annual performance report.	• 03/01/2012-21/01/2012 • 30/01/2012 • 30/01/2012	
		• 30/01/2012 • 30/01/2012 • 30/01/2012	

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	Budget		
	- Finalise the 2011/14 inputs from bulk resource providers (and NERSA) and agree on proposed price increase. (Align after submission of proposed tariffs) - Mid-Year Performance Assessment and recommend and adjustment budget, if necessary. - Incorporate priorities from the President's State of the Nation Address, National Treasury and SALGA for further budget consideration. - Review all aspects of the 2012/14 budget including any unforeseen and unavoidable expenditure in light of need for an adjustment budget. - Tabling and approval of an adjustments budget (if necessary)	01/12/2012– 09/12/2012 26/01/2012 23/01/2012– 27/01/2012 09/01/2012– 27/01/2012 30/01/2012	
IDP			
February 2012	Integration Phase - IDP, Budget & PMS Representative Forum (project priority list) - Submission of Sector Plans - IDP, Budget & PMS Operational meeting (Sector plans) - IDP, Budget & PMS Technical meeting	03/02/2012 03/02/2012– 10/02/2012 14/02/2012	February 2012

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	(Sector plans) - Advisory Board meeting with Municipal Manager - IDP, Budget & PMS Steering meeting (Sector plans) - IDP, Budget & PMS Representative Forum (Sector plans).	17/02/2012 21/02/2012 24/02/2012	
	PMS		
	- Individual Performance Assessments (2011/12 Second Quarter) - Place 2010/11 annual report on the municipal website	01/02/2012- 28/02/2012 05/02/2012	
	Budget		
	- Incorporate directives from the National budget and Provincial and National allocations to municipalities into budget. - Submit the 2012/14 approved adjustments budget to the Provincial & National Treasury & any other affected organ of state (10 days after approval.) - Finalise the 2012/15 detailed operating & capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP,	01/02/2012– 29/02/2012 14/02/2012 15/02/2012	

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	finalise budget policies including tariff policy.		
IDP			
March 2012	Approval Phase (Draft IDP, Budget & PMS) - IDP, Budget & PMS operational meeting (Draft IDP, Budget & PMS) - IDP, Budget & PMS Technical meeting (Draft IDP, Budget & PMS) - IDP, Budget & PMS Steering meeting (Draft IDP, Budget & PMS) - IDP, Budget & PMS Representative Forum (Draft IDP, Budget & PMS) - Establishment of IDP, Budget & PMS Public Participation Teams. - Mayor table Draft IDP, Budget & PMS for adoption by Council. - Publication of the IDP, Budget & PMS Public Participation schedule	06/03/2012 09/03/2012 13/03/2012 16/03/2012 16/03/2012– 21/03/2012 29/03/2012 29/03/2012	31 March 2012
	PMS		
	Compile Individual performance	15/03/2012	

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	assessment report (2011/12 second Quarter) • Council adopts the 2010/11 annual report with the comments of the oversight committee. • Submit draft SDBIP to the Mayor • Submit draft annual performance agreements to the Mayor	• 29/03/2012 • 29/03/2012 • 29/03/2012	
	Budget		
	• Consolidation of Draft 2012/13 annual budget. • Incorporate changes in prices for bulk resources and finalise tariff proposals for all charges. • Distribute all budget documentation prior to meeting at which budget is to be tabled. • Table in Council the 2012/15 annual budget & all supporting documents.	• 05/03/2012 • 16/03/2012 • 19/03/2012– 23/03/2012 • 29/03/2012	
IDP			
April 2012	• Consultations on the tabled Draft IDP, Budget & PMS	• 09/04/2012 – 0/04/2012	11 May 2012

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	PMS		
	• Submit the 2010/11 Annual Report & Oversight Report to Provincial Treasury, DLGH, AG and Legislature. • Make public the 2010/11 oversight report • Submission of third quarter departmental performance report • Individual performance assessments (2011/12 Third Quarter)	• 09/04/2012 • 09/04/2012 • 09/04/2012 • 02/04/2012-30/04/2012	
	Budget		
	• Make public the 2012/15 tabled annual budget & accompanying budget documentation, invite the community to submit representations and submit to Provincial & National Treasury and other affected organs of state. • Consultation on tabled budget, publicise and conduct public hearings and meetings within wards.	• 09/04/2012 – 0/04/2012 • 09/04/2012 –20/04/2012	
	IDP		
May 2012	Approval Phase (Final IDP, Budget & PMS) • IDP, Budget & PMS Operational Teams (Analysis & integration of	• 02/05/2012	31 May 2012

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	public comments) • IDP, Budget & PMS Technical meeting (Analysis & integration of public comments) • IDP, Budget & PMS Steering meeting (analysis & integration of public comments) • IDP, Budget & PMS Representative meeting (analysis & integration of public comments) • Adjustment of IDP, Budget & PMS in accordance with public comments • Exco considers Draft IDP, Budget & PMS • Mayor tables Final IDP, Budget & PMS for final approval/adoption	• 04/05/2012 • 09/05/2012 • 15/05/2012 • 15/05/2012– 18/05/2012 • 28/05/2012 • 31/05/2012	
	PMS		
	• Individual performance assessment report (2011/12 Third Quarter) • Approve the 2012/13 SDBIP- final date under legislation 27 July 2012	• 01/05/2012-14/05/2012 • 31/05/2012	
	Budget		
	• Consider the views of the community and other stakeholders on the	• 15/05/2012– 18/05/2012	

Month	Activity	Time-Frame	
		Ba-Phalaborwa	Mopani
	2012/15 budget. Respond to submissions received & if necessary revise the budget and table amendments for council consideration.	24/04/2012– 14/05/2012	
IDP			
June 2012	Summary of IDP, Budget & PMS - Public Notice on the adoption of IDP, Budget & PMS - Summary of IDP - Submission of the Approved IDP to the MEC for Local Government & Housing	08/06/2012 11/06/2012 15/06/2012	29 June 2012
	Budget		
	Submit approved IDP/Budget to National & Provincial Treasury, DLGH and District (10 working days after approval)	14/06/2012	

5.2. Process for tabling the budget in council for consultation

The community were invited to public participation meetings to discuss the Draft IDP and Tabled Budget for 2012/13. The public participation has started on 11th April 2012. Schedules of these meetings were published in local newspapers when coming to this Council seating, also placed on municipal offices and libraries and broadcasted in the local Radio Stations. The municipality was published the IDP and Budget on the municipality's website immediately after tabling. The Draft IDP and Tabled Budget documents for public comments closed on 21st April 2012, all comments were incorporated in the final documents to be adopted by Council in May 2012:

Inputs were submitted in the following areas:

- ❖ All libraries across the area of jurisdiction of the Ba-Phalaborwa Municipality
- ❖ Lulekani Municipal Offices;
- ❖ Selwane Thusong Service Centre
- ❖ Namakgale Municipal Offices
- ❖ Gravelotte Municipal Offices
- ❖ Municipal Official Website under comments
- ❖ Phalaborwa Municipal Offices _ In budgeting office

5.3. Process for tabling the budget in council for consideration for tabling

The community were consulted extensively including all stakeholders throughout the municipal area for inputs during the window period of finalising the IDP and Budget. The Council of Ba-Phalaborwa Municipality will be approved the annual budget in terms of the MFMA and the Constitution of the Republic of South Africa on 31st May 2012 after due consideration of community inputs into the budget, budget related policies and tariff schedule.

5.4. Model used to prioritise resource allocation

The capital projects funding are as per the Division of Revenue Act/ Bill (2012) allocation for NDPG, INEG and MIG Conditional grant funding as well as municipal own generated revenues and equitable share allocations. National, Provincial and Local government priorities were given preference with regard to allocating resources. Treasury Circular 48,51,54,55,58 and 59 clearly put emphasis on decisions to be followed when prioritising on

the expenditure and revenue anticipation. Municipalities were also advised on approach when projecting their expected revenues and cash receipts on conservative

- Management of cash streams effectively
- Carefully evaluating all spending decisions
- Expediting spending on capital projects that are funded by conditional grants

Treasury also discourages municipalities on spending on nice-to- have items and non essential activities, such as foreign travel, councillor and staff perks, buying of Ipads to Councillors and advertising and public relations activities.

The revenue estimates from municipal major sources of income were distributed to fund service delivery programmes and projects.

5.5. Process to record and integrate inputs from the community in the final budget

Community inputs with regard to the approved annual budget are recorded and incorporated for final approval by Council. The inputs were submitted in writing and also in the various public participation meetings that was in April 2012 as per the schedule under 5.2 above.

The summary of issues raised on the table below:

Issues Raised	Wards	Frequency (At least / minimum of)	% Frequency
Water shortages	9&10; 18; 13-15; 4-7; 8&9; 3&7; 6&17	7	58%
Electricity	1&2; 13-15; 11&12; 8&9; 6&17	5	42%
Bush clearance	Stakeholders, 1&2, 4-7, 8&9	4	
Paving /tarring of streets	9&10; 18; 1&2; 8&9	4	33%
Unemployment	1&2; 13-15; 4-7; 3&17	4	33%
Incorrect billing	Cllrs & Ward Committees; Stakeholders & 4 - 7	3	25%
Projects not implemented as promised (Sector departments MDM projects not included)	Cllrs & Ward Committees; 9&10; 18	3	25%
Filling of vacant positions	Stakeholders; 13-15; 4-7	3	25%
Road maintenance	4-7; 8&9; 6&17	3	25%
High mast lights and crime	9&10; 1&2; 3&17	3	25%
Culverts	1&2; 3&17; 6&17	3	25%
Toilets /Sanitation	13-15; 11&12; 18	3	25%
Audit opinion	8&9; 3&17; 6&7	3	25%

Issues Raised	Wards	Frequency (At least / minimum of)	% Frequency
Poor revenue collection	Cllrs & Ward Committees; Stakeholders	2	17%
High property rates and tariffs	Stakeholders; 8&9	2	17%
Clinic	9&10; 6&17	2	17%
Library services	9&10; 3&17	2	17%
Cemetery services	18; 8&9	2	17%
Refuse removal services	1&2; 13-15	2	17%
Municipal officials taking bribes	13-15; 3&17	2	17%
Capacity problems amongst municipal officials	Cllrs & Ward Committees	1	8%
School	6&17	1	8%
Stray animals	4-7	1	8%
Upgrading & use of municipal facilities	4-7	1	8%
Payment of labourers by contractors	9&10	1	8%
No allocation for sports	18	1	8%
Stormwater drainage	1&2	1	8%
RDP houses	13-15	1	8%

6. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

6.1. VISION OF THE MUNICIPALITY

The vision was therefore revised as follows:

“Best tourist destination in Limpopo by 2020”

6.2. FIVE YEAR STRATEGIC FOCUS AREA

Good governance and institutional excellence: The learning and growth perspective entails skills development and capacitating of employees. Employees are the foundation of the municipality; if employees are skilled and capacitated they will improve the ways they work and both service delivery and individual performance will improve. This perspective will also include leadership, financial and management training. This objective will address NSDP priority area “Effective administration and governance structure.”

Provide, maintain and upgrade municipal assets and services: The core function of the municipality is to provide access to services. Ba-Phalaborwa experiences the following challenges as mentioned under the binding constraints in the strategic alignment and which is directly linked to the NSDP and PGDS: Infrastructure development, poor maintenance plans and infrastructure development plans. If these are not addressed, the municipality will not be able to provide sustainable services to the community and investment and economic growth in the municipal area will be challenged. The infrastructure master plan such as Electricity, roads and water master plans to be developed as a matter of urgency to unlock gaps of the challenges of the infrastructure.

Environmental sustainability: PGDS strategic objective deals with environmental sustainability and climate change. A priority mentioned in the PGDS is that all municipalities have to have environmental management plans. Also mentioned are waste management plans, recycling of waste and water and alternative energy plan. Ba-Phalaborwa plays a leading role in the achievement of this objective as mentioned under NSDP and PGDS priorities.

Develop effective and sustainable stakeholder relationships and partnerships: With the small revenue base it is crucial that partnerships be formed and stakeholder relationships built to ensure cooperation and development of Ba-Phalaborwa and its community. Ba-Phalaborwa has established strategic relationships with the mines, Phalaborwa Foundation and DBSA. Stakeholder management, however, is not structured.

Facilitate local economic growth and provide for mobility and access: The best way to alleviate poverty, curb unemployment and address social problems is to ensure that there are enough jobs so that everybody in the community can earn a living. Ba-Phalaborwa has various projects and

initiatives to alleviate poverty and stimulate economic growth. Ba-Phalaborwa's location has established it as developmental and economic nodes in tourism, mining, agriculture and a service node.

Become financially viable: To be sustainable, it is necessary for the municipality to increase its revenue base through expanding its collection points, partnership and investment in the area. Again, investment will only be achieved if the necessary infrastructure is provided and therefore maintenance, upgrading and replacement of infrastructure is of utmost importance for the municipality.

Ensure community well-being; Community well-being does not only have to do with provision of services, but also deals with priorities such as HIV/Aids, education, health, safety and security and literacy. Ba-Phalaborwa strives, together with its stakeholders and partnerships to achieve on all these priorities to ensure healthy and sustained community.

6.3. ALIGNMENT OF IDP WITH NATIONAL AND PROVINCIAL GOVERNMENT

PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	Outcome 9	BA-PHALABORWA
Community Satisfaction	Improve the health profile of society	Fostering Development Partnerships, Social Cohesion and community mobilisation	Strengthen partnerships between local government, communities and civil society	Access to quality education Improved health care	Deepened democracy through a refined ward committee model	Enhance stakeholder involvement
	Building of cohesive, caring and sustainable communities					
Financial	Speed up economic growth and transform the economy to create decent work and sustainable livelihoods.			Ensuring more inclusive economic growth, decent work and sustainable livelihoods	Implement the community work programme and cooperatives supported	Economic and tourism development and growth
					Improved municipal financial capacity	Financial viability
Institutional					Implement a differentiated approach to municipal financing, planning and support	Developmental and performance orientated planning
					Improved access to basic services	

PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	Outcome 9	BA-PHALABORWA
	Programmes to build economic and social infrastructure	Accelerating service delivery and supporting the vulnerable	Ensure that municipalities meet the basic needs of communities	Provision of economic and social infrastructure	Improved access to basic services	Integrated sustainable infrastructure and services
				Cohesive and sustained communities		
	Comprehensive rural development strategy linked to land and agrarian reform and food security			Rural development, food security and land reform	Actions supportive of human settlement outcomes	Developmental and performance orientated planning
Institutional	Sustainable resource management and use			Sustainable resource management and use		Environmental sustainability
	Building of a developmental state including improving of public services and strengthening democratic institutions	Building the Developmental State in Provincial and Local Government that is efficient, effective and responsive	Build clean, responsive and accountable local government	A developmental state including improvement of public services	Single Window of coordination	Good corporate governance

PERSPECTIVE	MTSF	COGTA	MTAS	LEGDP (PGDS)	Outcome 9	BA-PHALABORWA
		Strengthen Accountability and Clean Government	Improve functionality, performance and professionalism in municipalities			
			Improve national and provincial policy, support and oversight to local government			
	Intensify the fight against crime and corruption			Fighting crime and corruption		
Institutional	Pursuing African advancement and enhanced international cooperation	Improving the Developmental Capability of the Institution of Traditional Leadership.		Creation of a better Africa and a better world		Good Corporate Governance
Learning and Growth	Strengthening of skills and human resource base				Improved administrative capacity	Attract, retain and build human capital

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

7.1. Key Financial Indicators and ratios

LIM334 Ba-Phalaborwa - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.5%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	–	0.3	3.0	9.2	9.2	9.2	9.2	135.3	92.8	65.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	0.3	3.0	9.2	9.2	9.2	9.2	50.5	12.4	(11.9)
Liquidity Ratio	Monetary Assets/Current Liabilities	–	0.0	0.3	0.8	0.8	0.8	0.9	5.5	3.3	2.0
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		102.3%	95.3%	112.0%	79.7%	71.1%	71.1%	71.1%	77.2%	79.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			102.3%	95.3%	112.0%	79.7%	71.1%	71.1%	71.1%	77.2%	79.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	71.0%	18.6%	49.8%	47.1%	43.3%	43.3%	43.3%	124.4%	91.0%	66.4%

Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	275.8%	3.9%	145.3%	145.3%	145.3%	145.3%	0.0%	0.0%	0.0%
Other Indicators											
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.9%	34.6%	31.7%	32.2%	29.6%	29.6%	29.6%	28.0%	27.7%	27.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	41.8%	30.5%	36.1%	36.1%	33.2%	33.2%		32.1%	31.8%	31.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	4.7%	3.3%	8.4%	7.8%	7.8%		4.0%	4.0%	4.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.4%	0.6%	0.3%	0.3%	0.3%	2.1%	2.1%	2.1%
IDP regulation financial viability indicators	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	-	1,780.7	1,399.7	1,642.7	1,642.7	1,642.7	-	-	-	-
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	114.6%	28.1%	58.5%	58.2%	55.2%	55.2%	55.2%	254.6%	185.2%	134.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.1	3.0	3.4	0.2	0.2	0.2	0.2	0.5	1.3	1.9

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

Debtors > 90 days									263,000	289,300	318,230
Monthly fixed operational expenditure		10,698	21,795	19,282	22,309	23,268	23,268	23,268	21,134	23,006	25,384
Fixed operational expenditure % assumption		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex		7,060	6,000	17,613	14,572	14,572	14,572	14,572	23,339	(33,918)	(42,427)
Borrowing		-	-	-	-	-	-	-	-	-	-

7.2. Measurable Performance Objectives and Indicators

LIM334 Ba-Phalaborwa - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										

<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
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Vote 3 - vote name										
Function 1 - (name)										
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Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

8. OVERVIEW OF BUDGET-RELATED POLICIES

The following policies has been reviewed and adopted with this budget and inputs were incorporated after public consultation for implementation by July 2012

Tariff Policy

The Tariff Policy was reviewed in line with relevant legislation and adopted with this budget for implementation in July 2012

Property Rates Policy

A policy in line with Local Government: Municipal Property Rates Act, Act No. 6 of 2004 was reviewed to take into consideration requirements of Gazette to ensure the implementation of the new property rates act and is adopted with this budget for implementation.

Budget Policy

A budget policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2012.

Asset Management Policy

A policy in line with relevant legislation is reviewed and adopted with this annual budget for implementation in July 2012.

The community inputs were incorporated into the policy for final approval by Council on May 2012 for implementation in July 2012.

Supply chain management policy

The supply chain management policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2012.

Indigent Household Consumer Policy

The Indigent and household Consumer policy in line with relevant legislation was reviewed and is adopted with this budget for implementation in July 2012. The approved indigent register will be in force as from 1st July 2012.

Credit Control, Debt Collection and Consumer Care Policy

Credit Control and Debt Collection Policy of the municipality was reviewed to take into account relevant legislation and developments in court findings and orders during the year. The policy also covers Consumer Care principles. The policy is adopted with this budget for implementation in July 2012

Investment Policy

The municipality was reviewing a Investment Policy to ensure proper cash management and investment in line with relevant legislation and the policy and is adopted with this budget for implementation. The policy will be implemented after drafting procedure manuals for implementation in July.

Supply Chain Management Policy

The Supply Chain Management Policy was reviewed and adopted with this budget for implementation in July 2012. A reviewed policy in line with relevant legislation is adopted with this budget.

9. OVERVIEW OF BUDGET ASSUMPTIONS

OVERVIEW OF THE BUDGET ASSUMPTIONS

External factors

The following factors were taken consideration and assumption when compiling 2012/13 budget to ensure that the budget is meaningful and easy to understand during the calculation of estimated revenues and expenditures:

- Division of Revenue Bill, 2012
- Stronger public- and private- sector investment
- Domestic outlook
- Population growth
- Risks to the global outlook
- The unwinding global imbalances
- National target in new growth path to create jobs over the next decade
- Sound macroeconomic policy enables the Country to fund social and economic priorities
- Anticipated salary increases
- Demand for services provision on free basic services
- Rates – Tariffs, charges and timing of revenue collection
- Sustainability - Consumer affordability to services municipal services
- Interest rates

Internal factors

KEY FINANCIAL TARGETS

The following assumptions were considered on compilation of 2012/13 budget on revenues: The multi – year budget is underpinned by the following key financial target assumptions:

- Increasing/ maximizing revenue collection on outstanding debtors
- Full implementation of credit control policy and intensifying debt collection
- Revision of cemetery tariffs and other minor sources of income such as building plans
- Improvement on billing system by means of ensuring correctness of meter readings
- Customer education
- Improvement on public participation
- Tariff increase ,
- Macro Growth factor indicator
- Capital Charges
- Total expenditure increases allowed (excluding repairs and maintenance)
- Increase in repairs and maintenance.

There are several sources of information gathered during the compilation of 2012/13 budget:

- Ba-Phalaborwa Five year financial plan
- Treasury circulars 59, 58, 55, 54, 51 and 48
- Statistics SA guidelines on economic indicators
- Financial management system and departmental inputs submission
- Consumer/ Customers surveys on services
- Data collected on consumer over the counter
- Integrated Development plan_ 2012-2017
- Five year financial plan 2011-2016

10. OVERVIEW OF BUDGET FUNDING

10.1. SUMMARY OF REVENUE AND FINANCING ACTIVITIES

FINANCING ACTIVITIES					
Description	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands	R'000	R'000	R'000	R'000	R'000
<u>Revenue By Source</u>					
Property rates	36,200	46,999	55,000	60,500	66,550
Service charges - electricity revenue	74,266	74,266	92,000	101,185	111,139
Service charges - water revenue	78,320	78,320	–	–	–
Service charges - sanitation revenue	8,425	8,425	–	–	–
Service charges - refuse revenue	5,383	5,391	7,500	8,250	9,075
Service charges - other	–	–	–	–	–
Rental of facilities and equipment	–	230	174	177	180
Interest earned - outstanding debtors	26,389	28,000	77,943	85,737	94,311
Fines	927	927	950	1,045	1,150
Licences and permits	12,995	12,997	16,202	18,572	20,979
Transfers recognised - operational	58,954	59,394	64,761	68,494	74,718
Transfers recognised - Capital	31,129	22,629	30,778	33,918	42,427
Other revenue	–	16,689	2,093	2,256	1,272
Gains on disposal of PPE	3,500	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	336,487	354,266	347,401	380,134	421,801

- *The table above illustrate the summaries of revenue and financing activities. The estimated revenue is at R347,401 million*
- *Equitable share allocation as per Division of Revenue 2012*
- *Highlights of operational grants as per Division of Revenue*
- *Highlights of conditional capital grants as per Division of Revenue*

10.2.1 Grants and subsidies as per Division of Revenue 2012

GRANTS AND SUBSIDIES			
Standard Items	Budget Year	Budget Year +1	Budget Year +2
	2012/13	2013/14	2014/15
	R	R	R
EQUITABLE SHARES	61,461,000	66,094,000	72,018,000
Financial Management Grant	1,500,000	1,500,000	1,750,000
Municipal System Infrastructure Grant	800,000	900,000	950,000
Expanded Public Works Programme	1,000,000		
Neighbourhood Development Programme Grant	6,000,000	10,000,000	13,242,000
Municipal Infrastructure Grant	20,778,000	21,918,000	23,185,000
Integrated National Electrification Grant	4,000,000	2,000,000	6,000,000
TOTAL GRANTS	95,539,000.00	102,412,000.00	117,145,000.00

- *Equitable share has increase from 2011 Division of Revenue – R53 751 million to R61 461 million in 2012*
- *Financial Management grant also increased from Division of Revenue 2011 from R1 250 million to R1 500 million*
- *Municipal system Improvement grant increase by R10 thousands as per Division of Revenue 2012.*
- *Municipal Infrastructure grant as per Division of Revenue from R17 129 million to R20 778 million in 2012.*
- *Neighbourhood development partnership grant also shows a slightly decline, but an improvement based on adjustment of R1 million to R6 million rand. The projects funded from the NDPG will await the approval of business plan by funder – NDP unit*

10.2.2 REVENUE ESTIMATES

Allocation of Expenditure per standard item

EXPENDITURE PER STANDARD ITEM	Current Year		2012/13 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Expenditure By Type</u>	R'000	R'000	R'000	R'000	R'000
Employee related costs	98,246	96,821	88,620	95,835	104,589
Remuneration of councillors	11,858	11,858	13,043	14,227	15,522
Debt impairment	–	–	2,300	2,588	2,911
Depreciation & asset impairment	1,010	–	5,395	5,934	6,528
Finance charges	945	945	1,140	1,254	1,379
Bulk purchases	94,829	94,829	80,000	88,000	96,800
Other materials	–	–	–	–	–
Contracted services	16,897	23,494	8,610	7,681	8,449
Repairs and Maintenance	25,800	25,800	14,012	15,418	16,964
Other expenditure	41,200	63,818	103,504	115,279	126,231
Capital Expenditure - Capital Grants	45,701	36,701	30,778	33,918	42,427
Total Expenditure	336,487	354,266	347,401	380,134	421,801

- The estimated expenditure as per standard item is R347,401 million for the financial year 2012/13

- *Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R5,934 million*
- *An amount of R30 778 million has been set aside to deal with infrastructure development funded by grants from Central government*
- *Employee related costs for entire staff members exclusive of councillors is estimated at R95 835 million in 2012/13 financial year*
- *Repairs and maintenance at an estimated value of R12,650 million will be utilised to deal with municipal assets.*

10.2.3 ALLOCATION OF MAIN VOTE

EXPENDITURE PER VOTE

Standard Items	Budget Year	Budget Year +1	Budget Year +2
	2012/13	2013/14	2014/15
	R	R	R
COUNCIL AND EXECUTIVE	31,676,177	34,555,914	37,918,934
BUDGET AND TREASURY OFFICE	41,307,261	44,460,973	48,658,654
CORPORATE SERVICES	35,223,976	35,769,508	39,097,220
COMMUNITY AND SOCIAL SERVICES	61,339,195	67,087,888	73,832,261
PLANNING AND DEVELOPEMENT	7,991,476	8,741,959	9,563,110
TECHNICAL SERVICES	169,863,051	189,517,823	212,730,592
TOTAL	347,401,137	380,134,066	421,800,772

- Allocation of expenditure per main vote highlights the share per budget
- The directorate receiving a bigger share in terms of the main votes are Technical Services
- The least directorate receiving smaller share of budget is Planning and development

10.5 FUNDING MEASUREMENT

LIM334 Ba-Phalaborwa Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures	-	-										
Cash/cash equivalents at the year end - R'000	18(1)b	1	64,766	64,766	65,453	3,693	3,693	3,693	3,693	10,661	30,246	47,940
Cash + investments at the yr end less applications - R'000	18(1)b	2	136,967	(122,028)	149,975	117,678	105,787	105,798	105,809	306,506	249,018	198,276
Cash year end/monthly employee/supplier payments	18(1)b	3	6.1	3.0	3.4	0.2	0.2	0.2	0.2	0.5	1.3	1.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	-	0	0	0	0	(0)	0	0
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	68.6%	(16.0%)	4.5%	(0.7%)	(6.0%)	(6.0%)	(33.6%)	4.0%	3.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	102.3%	95.3%	112.0%	79.7%	71.1%	71.1%	71.1%	77.2%	79.1%	79.3%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	1.5%	1.6%
Capital payments % of capital expenditure	18(1)c;19	8	34.8%	100.0%	99.6%	97.4%	121.3%	121.3%	121.3%	54.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(57.2%)	86.9%	10.0%	0.0%	0.0%	0.0%	233.9%	(20.0%)	(20.0%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	5.0%	0.9%	2.4%	2.4%	2.4%	1.2%	1.1%	1.1%	1.1%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	36.9%	43.0%	53.6%	53.6%	0.0%	0.0%	0.0%	0.0%

References

11 . EXPENDITURE ON ALLOCATIONS

EXPENDITURE PER STANDARD ITEM	Current Year		2012/13 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Expenditure By Type</u>	R'000	R'000	R'000	R'000	R'000
Employee related costs	98,246	96,821	88,620	95,835	104,589
Remuneration of councillors	11,858	11,858	13,043	14,227	15,522
Debt impairment	–	–	2,300	2,588	2,911
Depreciation & asset impairment	1,010	–	5,395	5,934	6,528
Finance charges	945	945	1,140	1,254	1,379
Bulk purchases	94,829	94,829	80,000	88,000	96,800
Other materials	–	–	–	–	–
Contracted services	16,897	23,494	8,610	7,681	8,449
Repairs and Maintenance	25,800	25,800	14,012	15,418	16,964
Other expenditure	41,200	63,818	103,504	115,279	126,231
Capital Expenditure - Capital Grants	45,701	36,701	30,778	33,918	42,427
Total Expenditure	336,487	354,266	347,401	380,134	421,801

- The estimated expenditure as per standard item is R347,401 million for the financial year 2012/13
- Included on the expenditure per standard item is the depreciation and impairment of assets at an estimated value of R5,934 million
- An amount of R30 778 million has been set aside to deal with infrastructure development funded by grants from Central government
- Employee related costs for entire staff members exclusive of councillors is estimated at R95,835 million in 2012/13 financial year
- Repairs and maintenance at an estimated value of R12,million will be utilised to deal with municipal assets.

EXPENDITURE ESTIMATES

The table below highlights the estimated expenditure for the 2012/13 financial year. There is a slightly increase on employee related costs as a results of expected annual increase. The municipality has set aside an amount of R23,3 million to expense or contribute on capital expenditure for 2012/13 from own sources of revenue and R30,8 million from Grants funding.

Repairs and maintenance is 7%of the total estimated budget hence it is 10% of the operational budget. National Treasury guides indicate that at least the repairs and maintenance allocation should be 15% of the total operational budget. The municipality has allocated R62,2million for contribution on capital assets inclusive of grants.

See the table below

Summary of Expenditure per Sub-Vote

BA-PHALABORWA MUNICIPALITY MTREF BUDGET 2012/13						
EXPENDITURE						
VOTES	OPEX	CAPEX (Community & Infrastructure Assets)	CAPEX (Administration)	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
	R	R	R	R	R	R
Executive and Council						
Municipal Council	13,895,466	-	-	13,895,466	15,285,013	16,813,414
Office of the Mayor	7,428,487	-	-	7,428,487	8,144,100	8,928,824
Office of the Municipal Manager	3,378,848	-	-	3,378,848	3,700,494	4,052,844
Strategic Planning and Performance Management	2,588,793	-	-	2,588,793	2,832,554	3,099,331
Internal Audit and Risk Management	1,972,114	-	-	1,972,114	2,062,134	2,254,282
Disaster Management	2,412,469	-	-	2,412,469	2,531,618	2,770,238
	31,676,177	-	-	31,676,177	34,555,914	37,918,934
Budget and Treasury Department						
Office of the CFO	4,581,694	-	-	4,581,694	3,379,347	3,705,818
Financial Planning and Reporting	2,027,349	-	-	2,027,349	2,208,855	2,429,547
Financial Control and Expenditure Management	15,423,913	-	-	15,423,913	16,915,168	18,591,885
Revenue and Debt Management		-	-			

	15,699,540			15,699,540	17,921,873	19,468,019
Supply Chain Management and Stores	3,574,766	-	-	3,574,766	4,035,730	4,463,386
	41,307,261	-	-	41,307,261	44,460,973	48,658,654
Corporate Services						
Office of the Director	2,450,567	-	-	2,450,567	2,681,858	2,935,039
Human Resources	9,910,308	-	-	9,910,308	10,818,436	11,778,595
Administration	18,190,273	-	2,939,400	21,129,673	20,512,878	22,459,719
Information Technology	1,733,428	-	-	1,733,428	1,899,337	2,081,167
	32,284,576	-	2,939,400	35,223,976	35,912,508	39,254,520
Community and Social Services						
Office of the Director	3,637,957	-	-	3,637,957	3,935,681	4,319,202
Libraries	2,859,440	-	-	2,859,440	3,033,899	3,324,165
Parks	10,230,969	500,000	-	10,730,969	11,740,846	12,846,021
Cemeteries	7,415,435	-	-	7,415,435	8,100,024	8,775,346
Traffic	8,176,746	-	-	8,176,746	8,952,553	9,802,173
Licensing	14,614,493	-	-	14,614,493	16,644,598	18,714,892
Environmental Health	8,301,406	900,000	-	9,201,406	9,528,490	10,406,624
Waste Management	4,702,750	-	-	4,702,750	5,151,797	5,643,839
	59,939,195	1,400,000	-	61,339,195	67,087,888	73,832,261
Planning and Development						
Office of the Director	1,690,438	-	-	1,690,438	1,849,977	2,024,615
Economic Development	2,948,811	-	-	2,948,811	3,231,504	3,541,369
Town Planning	3,352,228	-	-	3,352,228	3,660,478	3,997,126
	7,991,476	-	-	7,991,476	8,741,959	9,563,110
Technical Services Department						

Officer of the Director	2,549,745		-	-	2,549,745	2,794,172	3,062,092
Electrical Services	93,529,881	23,000,000		-	116,529,881	134,938,022	152,823,325
Building Section	7,304,712		-	-	7,304,712	7,992,056	8,744,253
Water Services	-		-	-		-	-
Waste Water Management	-			-		-	-
Roads and Storm Water Services	11,617,398	26,778,000		-	38,395,398	38,067,483	41,841,909
Project Management Unit	1,041,350		-	-	1,041,350	1,138,048	1,243,746
Mechanical Workshop	4,041,965		-	-	4,041,965	4,445,042	4,857,806
	120,085,051	49,778,000		-	169,863,051	189,374,823	212,573,132
TOTAL FOR THE MUNICIPALITY	293,283,737	51,178,000	2,939,400		347,401,137	380,134,066	421,800,612

12 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITES

LIM334 Ba-Phalaborwa - Supporting Table SA21 Transfers and grants made by the municipality

Description R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Cash Transfers to other municipalities</u> <i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u> <i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Organisations</u> <i>Insert description</i>	4										
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Groups of Individuals</u> <i>Insert description</i>	5										

Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other municipalities</u> <i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u> <i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u> <i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u> <i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-

In the 2012/13 MTREF no allocations were made by the Municipality to:

- ✚ Other municipalities;
- ✚ Municipal Entities and other external service delivery mechanisms;
- ✚ Any other organs of state; and
- ✚ Any other organisation outside government

13 COUNCILLORS AND BOARD MEMBER ALLOWANCE AND EMPLOYEE BENEFITS

13.2 Summary of Councillors and Staff Benefits

LIM334 Ba-Phalaborwa - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
- <u>Councillors (Political Office Bearers plus Other)</u>	1	A	B	C	D	E	F	G	H	I
Basic Salaries and Wages		4,863	5,350	11,074	9,238	9,238	9,238	10,156	11,071	12,039
Pension and UIF Contributions		596	656	–	–	–	–			
Medical Aid Contributions		561	617	–	–	–	–			
Motor Vehicle Allowance		4,159	4,575	–	2,162	2,162	2,162	2,378	2,592	2,851
Cellphone Allowance		344	379	436	458	458	458	504	564	632
Housing Allowances		–	19	–	–	–	–			
Other benefits and allowances		–	21	–	–	–	–			
Sub Total - Councillors		10,524	11,617	11,510	11,858	11,858	11,858	13,039	14,227	15,522
% increase	4		10.4%	(0.9%)	3.0%	–	–	10.0%	9.1%	9.1%
<u>Senior Managers of the Municipality</u>	2									
Basic Salaries and Wages		4,118	4,571	4,923	4,686	4,686	4,686	5,740	6,171	6,479
Pension and UIF Contributions						–	–			
Medical Aid Contributions						–	–			
Overtime						–	–			
Performance Bonus						–	–			
Motor Vehicle Allowance	3					–	–			
Cellphone Allowance	3									

		97	108	130	72	72	72	72	77	85
Housing Allowances	3					–	–			
Other benefits and allowances	3					–	–			
Payments in lieu of leave						–	–			
Long service awards						–	–			
Post-retirement benefit obligations	6	0	0			–	–			
Sub Total - Senior Managers of Municipality		4,215	4,679	5,053	4,758	4,758	4,758	5,812	6,248	6,564
% increase	4		11.0%	8.0%	(5.8%)	–	–	22.2%	7.5%	5.1%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		43,258	49,746	50,196	55,107	55,107	55,107	50,467	55,073	60,416
Pension and UIF Contributions		8,207	7,348	7,348	9,363	9,363	9,363	9,299	9,911	10,803
Medical Aid Contributions		2,271	12,529	12,529	12,573	12,573	12,573	9,897	10,547	11,496
Overtime		3,442	3,889	3,889	2,671	2,671	2,671	2,300	2,466	2,688
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	3,438	1,182	1,182	8,958	8,958	8,958	7,003	7,501	8,177
Cellphone Allowance	3	–	–	–	1,094	1,094	1,094	581	609	652
Housing Allowances	3	–	1,255	1,255	3,724	3,724	3,724	3,265	3,479	3,793
Other benefits and allowances	3	3,520	1,692	1,692	–	–	–	–	–	–
Payments in lieu of leave		–	–	–		–	–	–	–	–
Long service awards						–	–	–	–	–
Post-retirement benefit obligations	6	–				–	–	–	–	–
Sub Total - Other Municipal Staff		64,136	77,640	78,090	93,489	93,489	93,489	82,813	89,587	98,025
% increase	4		21.1%	0.6%	19.7%	–	–	(11.4%)	8.2%	9.4%
Total Parent Municipality		78,874	93,936	94,652	110,104	110,104	110,104	101,663	110,062	120,111
			19.1%	0.8%	16.3%	–	–	(7.7%)	8.3%	9.1%

<u>Board Members of Entities</u>										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<u>Senior Managers of Entities</u>										
Basic Salaries and Wages										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<u>Other Staff of Entities</u>										
Basic Salaries and Wages										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		78,874	93,936	94,652	110,104	110,104	110,104	101,663	110,062	120,111
% increase	4		19.1%	0.8%	16.3%	-	-	(7.7%)	8.3%	9.1%
TOTAL MANAGERS AND STAFF	5	68,351	82,319	83,142	98,246	98,246	98,246	88,625	95,835	104,589

13.3 Disclosure of Salaries for Political Office Bearers, Councillors and Senior Managers

LIM334 Ba-Phalaborwa - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		538,468		20,724			559,192
Chief Whip			504,813		20,724			525,537
Executive Mayor			673,085		20,724			693,809
Deputy Executive Mayor								—
Executive Committee			2,120,217		93,139			2,213,356
Total for all other councillors			5,451,999		348,916			5,800,915
Total Councillors	8	—	9,288,582	—	504,227			9,792,808
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			1,358,363					1,358,363
Chief Finance Officer			922,604		18,000			940,604
Deputy City Manager - Governance			818,898		18,000			836,898
Deputy City Manager - Procurement & Infrastructure			930,535					930,535
Deputy City Manager - Health, Safety & Social Issues			818,898		18,000			836,898
Deputy City Manager - Corporate & Human Resources			818,898		18,000			836,898
List of each official with packages >= senior manager								—
								—
								—
								—
								—

								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8	-	5,668,195	-	72,000	-		5,740,195
<u>A Heading for Each Entity</u> List each member of board by designation	6,7							-
								-
								-
								-
Total for municipal entities	8	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION		-	14,956,777	-	576,227	-		15,533,004

14. MONTHLY TARGETS FOR REVENUE AND EXPENDITURE

LIM334 Ba-Phalaborwa - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description R thousand	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source	-															
Property rates		4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	55,000	60,500	66,550
Property rates - penalties & collection charges													-	-	-	-
Service charges - electricity revenue		8,280	7,452	8,197	8,607	7,746	6,972	7,808	7,027	7,730	6,957	7,653	7,569	92,000	101,185	111,139
Service charges - water revenue													-	-	-	-
Service charges - sanitation revenue													-	-	-	-
Service charges - refuse revenue		625	625	625	625	625	625	625	625	625	625	625	625	7,500	8,250	9,075
Service charges - other													-	-	-	-
Rental of facilities and equipment		16	14	16	16	15	13	15	13	15	13	16	13	174	177	180
Interest earned - external investments			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors		7,065	6,359	6,994	7,344	6,610	5,949	6,663	5,996	6,596	5,936	6,530	5,902	77,943	85,737	94,311
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		86	77	85	89	80	72	81	73	80	72	86	71	950	1,045	1,150
Licences and permits		1,458	1,312	1,444	1,516	1,364	1,228	1,375	1,238	1,361	1,225	1,470	1,211	16,202	18,572	20,979
Agency services													-	-	-	-
Transfers recognised - operational		21,587				21,587				21,587			-	64,761	68,494	74,718
Other revenue		188	170	186	196	176	159	178	160	176	158	190	156	2,093	2,256	1,272
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		43,888	20,592	22,130	22,976	42,786	19,600	21,327	19,715	42,753	19,570	21,153	20,130	316,623	346,216	379,374
Expenditure By Type	-															
Employee related costs		6,065	5,458	6,004	6,304	5,674	5,106	5,719	5,147	5,662	5,096	6,115	26,269	88,620	95,835	104,589
Remuneration of councillors		1,174	1,056	1,162	1,220	1,098	988	1,107	996	1,096	986	1,184	975	13,043	14,227	15,522
Debt impairment													2,300	2,300	2,588	2,911
Depreciation & asset impairment													5,395	5,395	5,934	6,528
Finance charges		103	92	102	107	96	86	97	87	96	86	103	85	1,140	1,254	1,379
Bulk purchases		6,072	6,679	7,013	6,312	5,681	6,362	5,726	6,299	5,606	7,007	7,708	9,535	80,000	88,000	96,800
Other materials													-	-	-	-

Contracted services		798	798	798	798	798	798	798	798	798	798	798	798	9,580	8,748	9,623
Transfers and grants														–	–	–
Other expenditure		13,259	11,933	13,126	13,783	12,405	11,164	12,504	11,253	12,379	11,141	13,926	10,450	147,323	163,548	184,449
Loss on disposal of PPE													–	–	–	–
Total Expenditure		27,471	26,018	28,206	28,524	25,752	24,506	25,951	24,581	25,637	25,115	29,834	55,807	347,401	380,134	421,801
Surplus/(Deficit)		16,417	(5,426)	(6,076)	(5,548)	17,035	(4,906)	(4,624)	(4,866)	17,117	(5,544)	(8,681)	(35,677)	(30,778)	(33,918)	(42,427)
Transfers recognised - capital		2,616	2,355	2,590	2,719	2,448	2,203	2,467	2,220	2,442	2,198	2,638	3,882	30,778	33,918	42,427
Contributions recognised - capital													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		19,034	(3,071)	(3,486)	(2,828)	19,482	(2,703)	(2,157)	(2,645)	19,559	(3,346)	(6,043)	(31,795)	(0)	0	0
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	19,034	(3,071)	(3,486)	(2,828)	19,482	(2,703)	(2,157)	(2,645)	19,559	(3,346)	(6,043)	(31,795)	(0)	0	0

15. Budgeted monthly revenue and expenditure (Standard classification)

LIM334 Ba-Phalaborwa - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2012/13												Medium Term
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13
R thousand														
Revenue - Standard														
Governance and administration		19,601	17,641	19,405	20,375	18,337	16,504	18,484	16,636	18,299	16,469	14,826	651	197,228
Executive and council													-	-
Budget and treasury office		19,585	17,626	19,389	20,359	18,323	16,490	18,469	16,622	18,285	16,456	14,811	638	197,054
Corporate services		16	14	16	16	15	13	15	13	15	13	16	13	174
Community and public safety		1,577	1,419	1,561	1,639	1,476	1,328	1,487	1,339	1,472	1,325	1,201	1,699	17,524
Community and social services		1,486	1,338	1,471	1,545	1,390	1,251	1,402	1,261	1,388	1,249	1,128	1,604	16,514
Sport and recreation													-	-
Public safety		91	82	90	94	85	77	86	77	85	76	73	94	1,010
Housing													-	-
Health													-	-
Economic and environmental services		2,623	2,361	2,597	2,727	2,454	2,209	2,474	2,227	2,449	2,204	1,992	2,831	29,149
Planning and development		23	20	22	23	21	19	21	19	21	19	21	20	250
Road transport		2,601	2,341	2,575	2,704	2,433	2,190	2,453	2,207	2,428	2,185	1,971	2,811	28,899
Environmental protection													-	-
Trading services		8,905	8,077	8,822	9,232	8,371	7,597	8,433	7,652	8,355	7,582	8,278	12,194	103,500
Electricity		8,280	7,452	8,197	8,607	7,746	6,972	7,808	7,027	7,730	6,957	7,653	11,569	96,000
Water		-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		625	625	625	625	625	625	625	625	625	625	625	625	7,500
Other													-	-
Total Revenue - Standard		32,706	29,498	32,385	33,973	30,639	27,637	30,879	27,853	30,576	27,581	26,297	17,376	347,401
			38,308	42,076	44,149	39,796	35,879	40,110	36,161	39,715	35,806	35,099		
Expenditure - Standard														
Governance and administration		10,137	8,911	9,802	10,252	8,814	7,933	8,974	8,076	8,884	7,996	7,196	11,232	108,207
Executive and council		2,860	2,574	2,831	2,973	2,676	2,408	2,697	2,427	2,670	2,403	2,163	2,993	31,676
Budget and treasury office		4,248	3,611	3,972	4,131	3,304	2,974	3,420	3,078	3,386	3,047	2,743	3,394	41,307
Corporate services		3,029	2,726	2,999	3,149	2,834	2,551	2,857	2,571	2,828	2,545	2,291	4,845	35,224
Community and public safety		5,540	4,986	5,485	5,759	5,183	4,665	5,225	4,702	5,172	4,655	4,190	1,073	56,636
Community and social services		4,804	4,324	4,756	4,994	4,495	4,045	4,531	4,078	4,485	4,037	3,633	277	48,460
Sport and recreation													-	-

Public safety		736	662	729	765	688	620	694	625	687	618	557	796	8,177
Housing													–	–
Health													–	–
Economic and environmental services		5,097	4,717	5,153	5,298	4,768	4,425	4,806	4,449	4,758	4,282	4,088	(5,454)	46,387
Planning and development		652	717	753	678	610	683	615	676	609	548	726	724	7,991
Road transport		4,445	4,000	4,400	4,620	4,158	3,742	4,191	3,772	4,149	3,735	3,361	(6,179)	38,395
Environmental protection													–	–
Trading services		11,275	10,147	11,162	11,720	10,548	9,493	10,632	9,569	10,526	9,474	8,526	23,097	136,170
Electricity		10,851	9,766	10,743	11,280	10,152	9,137	10,233	9,210	10,131	9,118	8,206	22,639	131,468
Water													–	–
Waste water management													–	–
Waste management		423	381	419	440	396	356	399	359	395	356	320	458	4,703
Other													–	–
Total Expenditure - Standard		32,049	28,762	31,602	33,029	29,313	26,516	29,637	26,796	29,341	26,407	23,999	29,949	347,401
Surplus/(Deficit) before assoc.		658	736	783	944	1,325	1,121	1,241	1,057	1,235	1,174	2,297	(12,573)	0
Share of surplus/ (deficit) of associate													–	–
Surplus/(Deficit)	1	658	736	783	944	1,325	1,121	1,241	1,057	1,235	1,174	2,297	(12,573)	0

16. Budgeted monthly capital expenditure municipal vote

LIM334 Ba-Phalaborwa - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council													–	–	–	–
Vote 2 - Budget and Treasury													–	–	–	–
Department													–	–	–	–

Vote 3 - Corporate Services			1,000	1,809		130							–	2,939	–	–
Vote 4 - Community and Social Services													1,400	1,400	–	–
Vote 5 - Planning and Development													–	–	–	–
Vote 6 - Technical Services Department		4,462	4,016	4,418	4,638	4,175	3,757	4,208	3,787	4,166	3,749	3,378	5,023	49,778	–	–
Vote 7 -													–	–	–	–
Vote 8 -													–	–	–	–
Vote 15 -													–	–	–	–
Capital multi-year expenditure sub-total	2	4,462	5,016	6,227	4,638	4,305	3,757	4,208	3,787	4,166	3,749	3,378	6,423	54,117	–	–
<u>Single-year expenditure to be appropriated</u>																
Vote 1 - Executive and Council													–	–	–	–
Vote 6 - Technical Services Department													–	–	–	–
Capital single-year expenditure sub-total	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure	2	4,462	5,016	6,227	4,638	4,305	3,757	4,208	3,787	4,166	3,749	3,378	6,423	54,117	–	–

17. Budgeted monthly cash flow

LIM334 Ba-Phalaborwa - Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Cash Receipts By Source</u>													1		
Property rates	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	4,583	(3,667)	46,750	57,475	63,223
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	8,280	7,452	8,197	8,607	7,746	6,972	7,808	7,027	7,730	6,957	7,653	(6,231)	78,200	96,126	105,582
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Service charges - refuse revenue	625	625	625	625	625	625	625	625	625	625	625	(500)	6,375	7,838	8,621
Service charges - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	16	14	16	16	15	13	15	13	15	13	16	13	174	168	171
Interest earned - external investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	7,065	6,359	6,994	7,344	6,610	5,949	6,663	5,996	6,596	5,936	6,530	(28,345)	43,697	81,450	89,595
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	86	77	85	89	80	72	81	73	80	72	86	71	950	993	1,093
Licences and permits	1,458	1,312	1,444	1,516	1,364	1,228	1,375	1,238	1,361	1,225	1,470	1,211	16,202	17,643	19,930
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operational	21,587	–	–	–	21,587	–	–	–	21,587	–	–	–	64,761	68,494	74,718
Other revenue	188	170	186	196	176	159	178	160	176	158	190	156	2,093	2,143	1,208
Cash Receipts by Source	43,888	20,592	22,130	22,976	42,786	19,600	21,327	19,715	42,753	19,570	21,153	(37,291)	259,202	332,330	364,141
Other Cash Flows by Source															
Transfer receipts - capital Contributions recognised - capital & Contributed assets												30,778	30,778	33,918	42,427
												–			
Total Cash Receipts by Source	43,888	20,592	22,130	22,976	42,786	19,600	21,327	19,715	42,753	19,570	21,153	(6,513)	289,980	366,248	406,568
Cash Payments by Type															
Employee related costs	6,065	5,458	6,004	6,304	5,674	5,106	5,719	5,147	5,662	5,096	6,115	21,838	84,189	71,876	78,442
Remuneration of councillors	1,174	1,056	1,162	1,220	1,098	988	1,107	996	1,096	986	1,184	323	12,391	10,671	11,642
Finance charges	103	92	102	107	96	86	97	87	96	86	103	85	1,140	2,588	2,911
Bulk purchases - Electricity	6,072	6,679	7,013	6,312	5,681	6,362	5,726	6,299	5,606	7,007	7,708	(2,465)	68,000	88,000	96,800
Bulk purchases - Water & Sewer												–	–	–	–
Other materials												–			
Contracted services	758	798	798	798	798	798	798	798	798	798	798	359	9,101	8,748	9,623
Transfers and grants - other municipalities												–			

Transfers and grants - other												–			
Other expenditure	7,079	6,371	7,008	7,359	6,697	6,161	6,900	6,210	6,831	6,148	5,537	6,356	78,659	155,371	175,227
Cash Payments by Type	21,251	20,456	22,088	22,100	20,044	19,503	20,348	19,538	20,089	20,122	21,446	26,496	253,480	337,253	374,644
Other Cash Flows/Payments by Type															
Capital assets	2,616	2,355	2,590	2,719	2,448	2,203	2,467	2,220	2,442	2,198	2,638	2,343	29,239	32,222	40,306
Repayment of borrowing												–			
Other Cash Flows/Payments												–			
Total Cash Payments by Type	23,867	22,810	24,678	24,820	22,491	21,706	22,815	21,758	22,532	22,320	24,083	28,839	282,719	369,475	414,949
NET INCREASE/(DECREASE) IN CASH HELD	20,021	(2,219)	(2,548)	(1,843)	20,295	(2,105)	(1,487)	(2,043)	20,222	(2,750)	(2,930)	(35,352)	7,261	(3,227)	(8,381)
Cash/cash equivalents at the month/year begin:	3,400	23,421	21,202	18,655	16,811	37,107	35,001	33,514	31,471	51,693	48,943	46,013	3,400	10,661	7,434
Cash/cash equivalents at the month/year end:	23,421	21,202	18,655	16,811	37,107	35,001	33,514	31,471	51,693	48,943	46,013	10,661	10,661	7,434	(948)

18. ANNUAL BUDGET AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS

The service delivery and budget implementation plan is tabled by the Mayor with this budget and IDP

See the attached

19. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

LIM334 Ba-Phalaborwa - Table SA33 Contracts having future budgetary implications

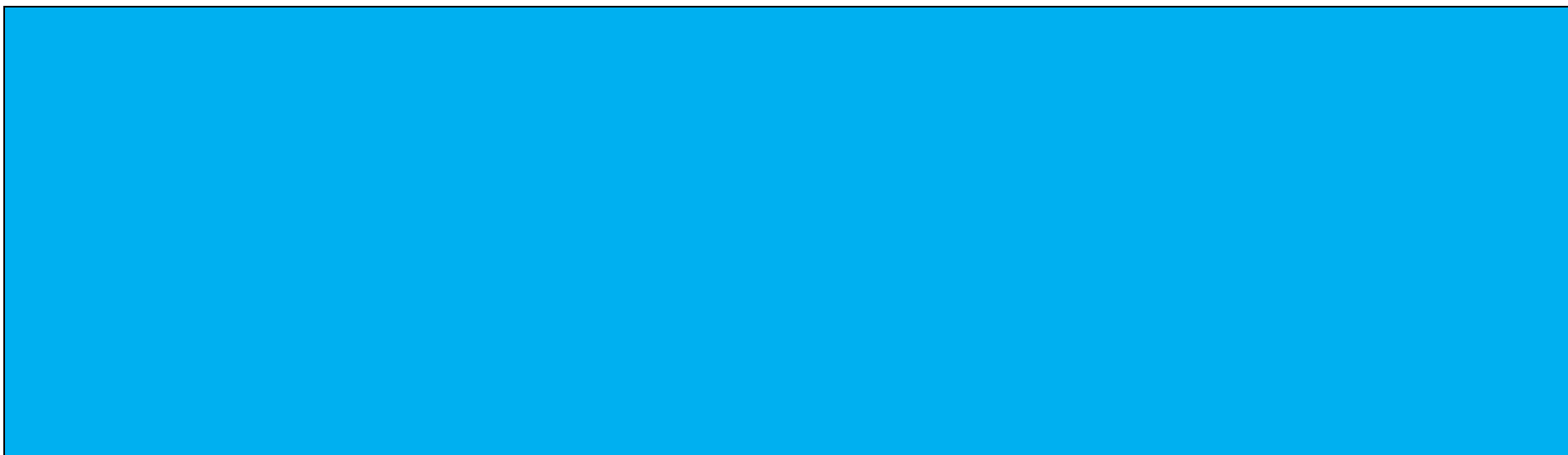
Description R thousand	Ref	Preceding Years	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework			Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Total Contract Value
		Total	Original Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:	2													
<u>Revenue Obligation By Contract</u>														
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
-														
Entities:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-

Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

All services to be acquired on contracts are within the MTREF budget allocation. There is no project indicative to spent muliti-year and above three years.

20. CAPITAL EXPENDITURE DETAILS



17.1 CAPITAL EXPENDITURE ON NEW ASSETS BY ASSET CLASS

LIM334 Ba-Phalaborwa - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		38,932	16,842	20,059	39,201	29,642	29,642	49,778	54,756	60,231
Infrastructure - Road transport		8,838	14,602	12,659	31,629	19,242	19,242	26,778	29,456	32,401
Roads, Pavements & Bridges		8,838	7,452	12,659	31,629	19,242	19,242	26,778	29,456	32,401

Storm water			7,150	–						
Infrastructure - Electricity		6,720	2,000	7,400	7,572	10,400	10,400	23,000	25,300	27,830
Generation				–						
Transmission & Reticulation		6,720		4,400	7,572	7,400	7,400	23,000	25,300	27,830
Street Lighting			2,000	3,000		3,000	3,000			
Infrastructure - Water		7,374	–	–	–	–	–	–	–	–
Dams & Reservoirs				–						
Reticulation		7,374		–						
Infrastructure - Sanitation		16,000	240	–	–	–	–	–	–	–
Reticulation			240	–						
Sewerage purification		16,000		–						
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Waste Management				–						
Transportation	2			–						
Gas				–						
Other	3			–						
Community		–	12,200	–	3,000	11,962	11,962	1,400	–	–
Parks & gardens				–						
Sportsfields & stadia				–		9,204	9,204	500		
Swimming pools				–						
Recreational facilities			8,600	–						
Fire, safety & emergency				–						
Security and policing				–		258	258			
Clinics				–						
Museums & Art Galleries			3,600	–						
Cemeteries										

				-	3,000	-				
Other				-		2,500	2,500	900		
Heritage assets		-	2,000	-	-	-	-	-	-	-
Buildings			2,000	-						
Investment properties		-	-	-	-	500	500	-	-	-
Housing development				-		500	500			
Other				-						
Other assets		9,600	3,500	8,000	1,000	8,000	8,000	2,939	-	-
General vehicles				-	-					
Specialised vehicles	10	-	-	-	1,000	-	-	-	-	-
Plant & equipment			2,500	-						
Computers - hardware/equipment				-						
Furniture and other office equipment				-				2,939		
Abattoirs				-						
Markets			1,000	2,000						
Civic Land and Buildings		9,600		6,000						
Other Buildings				-		2,000	2,000			
Other Land				-		6,000	6,000			
Surplus Assets - (Investment or Inventory)				-						
Intangibles		-	4,500	-	2,500	10,719	10,719	-	-	-
Computers - software & programming			3,500	-	2,500	10,719	10,719			
Other (list sub-class)			1,000	-						
Total Capital Expenditure on new assets	1	48,532	39,042	28,059	45,701	60,823	60,823	54,117	54,756	60,231

<u>Specialised vehicles</u>		-	-	-	1,000	-	-	-	-	-
Refuse					1,000					
Fire										
Conservancy										
Ambulances										

LIM334 Ba-Phalaborwa - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	15,425	14,023	14,023	14,023	-	-	-
Infrastructure - Road transport		-	-	1,650	1,500	1,500	1,500	-	-	-
Roads, Pavements & Bridges				1,650	1,500	1,500	1,500			
Storm water										
Infrastructure - Electricity		-	-	8,250	7,500	7,500	7,500	-	-	-

Generation										
Transmission & Reticulation			8,250	7,500	7,500	7,500				
Street Lighting										
Infrastructure - Water	-	-	2,772	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation			2,772	-						
Infrastructure - Sanitation	-	-	-	2,520	2,520	2,520	-	-	-	-
Reticulation				2,520	2,520	2,520				
Sewerage purification										
Infrastructure - Other	-	-	2,753	2,503	2,503	2,503	-	-	-	-
Waste Management										
Transportation	2		2,753	2,503	2,503	2,503				
Gas										
Other	3									
Community		-	-	1,650	1,500	1,500	1,500	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency			1,650	1,500	1,500	1,500				
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										

Other	9									
<u>Investment properties</u>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<u>Other assets</u>		-	-	4,290	4,150	4,150	4,150	-	-	-
General vehicles				715	650	650	650			
Specialised vehicles	10	-	-	2,310	2,100	2,100	2,100	-	-	-
Plant & equipment				1,265	1,400	1,400	1,400			
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
List sub-class										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
List sub-class										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of existing assets	1	-	-	21,365	19,673	19,673	19,673	-	-	-

DETAILED CAPITAL PROGRAMMES

LIM334 Ba-Phalaborwa - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	7,670	3,036	18,500	18,500	18,500	7,020	7,722	8,494
Infrastructure - Road transport		-	2,732	3,036	4,200	4,200	4,200	420	462	508
Roads, Pavements & Bridges			2,602	2,556	4,200	4,200	4,200	420	462	508

Storm water		130	481						
Infrastructure - Electricity	–	3,068	–	4,500	4,500	4,500	4,950	5,445	5,990
Generation									
Transmission & Reticulation		1,634		4,500	4,500	4,500	4,950	5,445	5,990
Street Lighting		1,434		–					
Infrastructure - Water	–	1,000	–	6,200	6,200	6,200	–	–	–
Dams & Reservoirs		500							
Water purification		300							
Reticulation		200		6,200	6,200	6,200	–	–	–
Infrastructure - Sanitation	–	500	–	2,100	2,100	2,100	–	–	–
Reticulation		300		–					
Sewerage purification		200		2,100	2,100	2,100	–	–	–
Infrastructure - Other	–	370	–	1,500	1,500	1,500	1,650	1,815	1,997
Waste Management		370		1,500	1,500	1,500	1,650	1,815	1,997
Transportation									
Gas									
Other									
Community	–	3,120	3,604	3,000	3,000	3,000	3,300	3,630	3,993
Parks & gardens		389	174	2,500	2,500	2,500	2,750	3,025	3,328
Sportsfields & stadia		340	465		–	–			
Swimming pools			–		–	–			
Community halls		420	775		–	–			
Libraries			775		–	–			
Recreational facilities		1,230	–		–	–			
Fire, safety & emergency			465		–	–			

Security and policing								
Buses	7							
Clinics								
Museums & Art Galleries								
Cemeteries		741	951	500	500	500	550	605
Social rental housing	8							666
Other								
Heritage assets								
Buildings								
Other	9							
Investment properties								
Housing development								
Other								
Other assets								
General vehicles		3,690	2,139	4,300	4,300	4,300	2,330	2,568
Specialised vehicles	10	1,825	1,023					2,830
Plant & equipment								
Computers - hardware/equipment		275						
Furniture and other office equipment			775	4,300	4,300	4,300	2,330	2,568
Abattoirs		490						
Markets		1,100	341					
Civic Land and Buildings								
Other Buildings								
Other Land								
Surplus Assets - (Investment or Inventory)								
Other								
Agricultural assets								

List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	-	14,480	8,780	25,800	25,800	25,800	12,650	13,920	15,317

Specialised vehicles		-	275	-	-	-	-	-	-	-
Refuse			275							
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		0.0%	5.0%	0.9%	2.4%	2.4%	2.4%	1.1%	1.1%	1.1%
R&M as % Operating Expenditure		0.0%	4.2%	2.9%	7.7%	7.3%	7.3%	3.6%	3.7%	3.6%

Program/Project description	Asset Class 3	Asset Sub-Class 3	2011/12 Medium Term Revenue & Expenditure Framework			Project information	
			Budget Year 2011/12	Budget Year +1 2011/12	Budget Year +2 2012/13	Ward location	New or renewal
Matiko Xikaya Street Paving	Infrastructure - Road transport	Roads, Pavements & Bridges	3,000				new

Kurhula Street Paving	Infrastructure - Road transport	Roads, Pavements & Bridges	4,700				new
Selwane Street Paving	Infrastructure - Road transport	Roads, Pavements & Bridges	3,000				new
PHB Upgrade of Taxi Rank	Infrastructure - Road transport	Roads, Pavements & Bridges	3,000				new
Honieville to Topville street Paving	Infrastructure - Road transport	Roads, Pavements & Bridges	4,413				new
BPM HighMast Light	Infrastructure - Electricity	Street Lighting	3,000				new
Electrification	Infrastructure - Electricity	Transmission & Reticulation	4,004				new
Electricity Master Plan	Infrastructure - Electricity	Other	1,300				new
Electrical Refurbishment and Renewal projects	Infrastructure - Electricity	Transmission & Reticulation	25,500				new
Purchase of PPE	Other Assets	Furniture and other office equipment	2,198				new
			-	-	-		
			54,115	-	-		

21. LEGISLATION COMPLIANCE STATUS

The budget compilation has taken into account the following legislative documents

- ❖ Municipal Finance Management Act (MFMA), Act No.56 of 2003
- ❖ Division of Revenue of Act (DoRA) and the Bill 2012
- ❖ Budget Regulations and Circulars

- ❖ Asset Management Regulations
- ❖ Municipal systems Act, 2000
- ❖ Minimum Competency Levels of Municipal Finance Officers Regulations
- ❖ Local Government: Municipal Property Rates Act(MPRA)
- ❖ Muncipal Budget and Reporting Regulations (MBRR)

22. OTHER SUPPORTING DOCUMENTS

a. Supporting details to Budgeted Financial Performance

LIM334 Ba-Phalaborwa - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
REVENUE ITEMS:											

Property rates	6									
		21,200	30,470	33,212	36,200	46,999	46,999	46,999	55,000	66,550
Total Property Rates										
less Revenue Foregone										
Net Property Rates		21,200	30,470	33,212	36,200	46,999	46,999	46,999	55,000	66,550
Service charges - electricity revenue	6									
		46,302	62,508	65,144	74,266	74,266	74,266	74,266	92,000	111,139
Total Service charges - electricity revenue										
less Revenue Foregone										
Net Service charges - electricity revenue		46,302	62,508	65,144	74,266	74,266	74,266	74,266	92,000	111,139
Service charges - water revenue	6									
		37,900	93,847	71,003	78,320	78,320	78,320	78,320		
Total Service charges - water revenue										
less Revenue Foregone										
Net Service charges - water revenue		37,900	93,847	71,003	78,320	78,320	78,320	78,320	-	-
Service charges - sanitation revenue										
		6,100	10,682	6,974	8,425	8,425	8,425	8,425		
Total Service charges - sanitation revenue										
less Revenue Foregone										
Net Service charges - sanitation revenue		6,100	10,682	6,974	8,425	8,425	8,425	8,425	-	-
Service charges - refuse revenue	6									
		3,420	6,295	7,000	5,383	5,391	5,391	5,391	7,500	9,075
Total refuse removal revenue										
Total landfill revenue										
less Revenue Foregone										
Net Service charges - refuse revenue		3,420	6,295	7,000	5,383	5,391	5,391	5,391	7,500	9,075
Other Revenue by source										
			3,138	8,809	-	16,689	16,689	16,689	2,093	1,272
Other revenue										
	3									

Total 'Other' Revenue	1	-	3,138	8,809	-	16,689	16,689	16,689	2,093	2,256	1,272
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	56,342	47,477	51,230	59,151	59,792	59,792	59,792	56,202	61,243	66,895
Pension and UIF Contributions			28,693	20,835	22,649	21,936	21,936	21,936	9,299	9,911	10,803
Medical Aid Contributions			26,673	5,185	10,051				9,897	10,547	11,496
Overtime				2,523	3,724	3,724	3,724	3,724	2,300	2,466	2,688
Performance Bonus											
Motor Vehicle Allowance			3,939	3,370	2,671	2,671	2,671	2,671	7,003	7,501	8,177
Cellphone Allowance									653	687	737
Housing Allowances						1,094	1,094	1,094	3,265	3,479	3,793
Other benefits and allowances						9,030	9,030	9,030			
Payments in lieu of leave											
Long service awards											
Post-retirement benefit obligations	4										
sub-total	5	56,342	106,782	83,143	98,246	98,246	98,246	98,246	88,620	95,835	104,589
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	56,342	106,782	83,143	98,246	98,246	98,246	98,246	88,620	95,835	104,589
<u>Contributions recognised - capital</u>											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment					1,010	-	-	-	5,395	5,934	6,528
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	-	-	-	1,010	-	-	-	5,395	5,934	6,528
<u>Bulk purchases</u>											
Electricity Bulk Purchases		19,590	59,329	53,175	72,829	72,829	72,829	72,829	80,000	88,000	96,800
Water Bulk Purchases		-	38,000	26,000	22,000	22,000	22,000	22,000	-	-	-

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[illegible]

b. Matrix Financial Performance

LIM334 Ba-Phalaborwa - Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury Department	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 5 - Planning and Development	Vote 6 - Technical Services Department	Vote 7 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1											
<u>Revenue By Source</u>												
Property rates			55,000									55,000
Property rates - penalties & collection charges												-

Service charges - electricity revenue						92,000					92,000
Service charges - water revenue						-					-
Service charges - sanitation revenue						-					-
Service charges - refuse revenue				7,500							7,500
Service charges - other											-
Rental of facilities and equipment			174								174
Interest earned - external investments											-
Interest earned - outstanding debtors		77,943									77,943
Dividends received											-
Fines				950							950
Licences and permits				16,202							16,202
Agency services											-
Other revenue		350		392	250	1,101					2,093
Transfers recognised - operational		63,761				1,000					64,761
Gains on disposal of PPE											-
Total Revenue (excluding capital transfers and contributions)	-	197,054	174	25,044	250	94,101	-	-	-	-	316,623
Expenditure By Type	-										
Employee related costs	8,668	11,821	14,793	31,061	4,866	17,410					88,620
Remuneration of councillors	13,043										13,043
Debt impairment		2,300									2,300
Depreciation & asset impairment		5,395									5,395
Finance charges		1,140									1,140
Bulk purchases						80,000					80,000
Other materials											-
Contracted services		7,180	2,400								9,580
Transfers and grants											-
Other expenditure	9,965	13,471	18,031	30,279	3,125	72,453					147,323
Loss on disposal of PPE											-
Total Expenditure					7,991			-	-	-	

		31,676	41,307	35,224	61,339		169,863	–				347,401
Surplus/(Deficit)		(31,676)	155,747	(35,050)	(36,295)	(7,741)	(75,762)	–	–	–	–	(30,778)
Transfers recognised - capital							30,778					30,778
Contributions recognised - capital												–
Contributed assets												–
Surplus/(Deficit) after capital transfers & contributions		(31,676)	155,747	(35,050)	(36,295)	(7,741)	(44,984)	–	–	–	–	0

c. Supporting Details to Budgeted Financial Position

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15

R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days									3,500	2,000	6,500
Other current investments > 90 days		88	131	144	144	155	167				
Total Call investment deposits	2	-	88	131	144	144	155	167	3,500	2,000	6,500
<u>Consumer debtors</u>											
Consumer debtors		57,340	102,414	112,656	112,656	112,656	112,656	112,656	375,000	300,000	240,000
Less: Provision for debt impairment			-	-							
Total Consumer debtors	2	-	57,340	102,414	112,656	112,656	112,656	112,656	375,000	300,000	240,000
<u>Debt impairment provision</u>											
Bad debts written off				-	-						
Balance at end of year		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		290,869	961,666	1,057,833	1,057,833	1,057,833	1,057,833	1,057,833	1,163,616	1,279,977	1,407,975
Leases recognised as PPE	3	-	-	-							
Less: Accumulated depreciation		-	-	-							
Total Property, plant and equipment (PPE)	2	-	290,869	961,666	1,057,833	1,057,833	1,057,833	1,057,833	1,163,616	1,279,977	1,407,975
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		-	-	-							
Current portion of long-term liabilities		1,983	-	-							
Total Current liabilities - Borrowing		-	1,983	-	-	-	-	-	-	-	-
<u>Trade and other payables</u>											
Trade and other creditors		178,600	2,555	5,366	5,366	5,366	5,366	5,366	-		
Unspent conditional transfers		7,042	-	-	-	-	-	-			
VAT		56,890	7,689	8,458	8,458	8,458	8,458	8,458			
Total Trade and other payables	2	-	242,532	10,244	13,823	13,823	13,823	13,823	-	-	-
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	-	-	-							
Finance leases (including PPP asset element)		6,000	-	-							
Total Non current liabilities - Borrowing		-	6,000	-	-	-	-	-	-	-	-

Provisions - non-current											
Retirement benefits			67,000	-	-						
List other major provision items											
Refuse landfill site rehabilitation			-	-	-						
Other			-	-	-						
Total Provisions - non-current		-	67,000	-	-	-	-	-	-	-	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Surplus/(Deficit)		-	-	-	0	0	0	0	-	(17,838)	(20,666)
Appropriations to Reserves			3,130	1,074,968	1,207,934	1,207,934	1,207,934	1,207,934	1,587,757	1,638,003	1,704,522
Transfers from Reserves			-	-	-						
Depreciation offsets			-	-	-						
Other adjustments			-	-	-						
Accumulated Surplus/(Deficit)	1	-	3,130	1,074,968	1,207,934	1,207,934	1,207,934	1,207,934	1,587,757	1,620,164	1,683,856
Reserves	-										
Housing Development Fund			-	-	-						
Capital replacement			-	-	-						
Self-insurance			-	-	-						
Other reserves			-	-	-						
Revaluation			-	-	-						
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	-	3,130	1,074,968	1,207,934	1,207,934	1,207,934	1,207,934	1,587,757	1,620,164	1,683,856

d. Social, Economic and Demographic Statistics and Assumptions

LIM334 Ba-Phalaborwa - SA9 Social, economic and demographic statistics												
Description of economic indicator	Ref.	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population					131,522	131,522	131,522	131,522	131,522	131,522	131,522	131,522
Females aged 5 - 14					13,967	13,967	13,967	13,967	13,967	13,967	13,967	13,967

Males aged 5 - 14					23,096	23,096	23,096	23,096	23,096	23,096	23,096	23,096
Females aged 15 - 34					13,967	13,967	13,967	13,967	13,967	13,967	13,967	13,967
Males aged 15 - 34					23,096	23,096	23,096	23,096	23,096	23,096	23,096	23,096
Unemployment					3,842	3,842	3,842	3,842	3,842	3,842	3,842	3,842
Monthly household income (no. of households)	1, 12	-										
No income		-										
R1 - R1 600					54,960	54,960	54,960	54,960	54,960	54,960	54,960	54,960
R1 601 - R3 200					3,678	3,678	3,678	3,678	3,678	3,678	3,678	3,678
R3 201 - R6 400					3,123	3,123	3,123	3,123	3,123	3,123	3,123	3,123
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)	13											
< R2 060 per household per month	2											
Insert description												
Household/demographics (000)												
Number of people in municipal area					131,522,000	131,522	131,522	131,522	131,522	131,522	131,522	131,522
Number of poor people in municipal area					-	-	-	-	-	-	-	-
Number of households in municipal area					32,253	32	32	32	32	32	32	32
Number of poor households in municipal area					-	-	-	-	-	-	-	-
Definition of poor household (R per month)					1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
-												

Housing statistics	3											
Formal												
Informal												
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment			-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increases						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)						7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Consumption growth (water)						5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
Collection rates	7											
Property tax/service charges						57.0%	57.0%	57.0%	57.0%	57.0%	57.0%	57.0%
Rental of facilities & equipment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - external investments						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - debtors						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services						37.0%	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%

e. Property Rates Summary

LIM334 Ba-Phalaborwa - Supporting Table SA11 Property rates summary

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Valuation:	1									
Date of valuation:		2009/01/01								
Financial year valuation used		2009/2010			Yes			Yes		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes		Yes			Yes		

Municipal/assistant valuer appointed? (Y/N)		Yes	Yes		NO		No		
Municipal partnership s38 used? (Y/N)		NO	NO		3		3		
No. of assistant valuers (FTE)	3	3	3		48		48		
No. of data collectors (FTE)	3	48	48		-		-		
No. of internal valuers (FTE)	3	-	-		3		3		
No. of external valuers (FTE)	3	3	3		2		2		
No. of additional valuers (FTE)	4	2	2		0		-		
Valuation appeal board established? (Y/N)		Yes	Yes		0		0		
Implementation time of new valuation roll (mths)		0	-		-856450		(856,450)		
No. of properties	5	5	5		-750000		(750,000)		
No. of sectional title values	5	21 276	21 276		-536000		(536,000)		
No. of unreasonably difficult properties s7(2)		313	313		-500000		(500,000)		
No. of supplementary valuations		25	25		-300000		(300,000)		
No. of valuation roll amendments		0	-		-200000		(200,000)		
No. of objections by rate payers		17	17		-150000		(150,000)		
No. of appeals by rate payers		225	225		-150000		(150,000)		
No. of successful objections	8	466	466		-120000		(120,000)		
No. of successful objections > 10%	8	2	2		-100000		(100,000)		
Supplementary valuation		225	225		-60000		(60,000)		
Public service infrastructure value (Rm)	5	176	176		-40000		(0)		
Municipality owned property value (Rm)		40 436	40 436		0		-		
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)		572	572		0		-		
Valuation reductions-nature reserves/park (Rm)		0	-		6		0		
Valuation reductions-mineral rights (Rm)		6	6		-		-		
Valuation reductions-R15,000 threshold (Rm)		-	-		-		-		
Valuation reductions-public worship (Rm)		-	-		197		0		
Valuation reductions-other (Rm)		197	197		775		0		

Total valuation reductions:		0	0	-	0	-	-	0	-	-
Total value used for rating (Rm)	5	157	157		383			0		
Total land value (Rm)	5	383	383		0			-		
Total value of improvements (Rm)	5	0	-		7 189			7 189		
Total market value (Rm)	5	7 189	7 189		0			-		
Rating: Residential rate used to determine rate for other categories? (Y/N)		Yes	Yes					Yes		
Differential rates used? (Y/N)	5	Yes	-							
Limit on annual rate increase (s20)? (Y/N)		Yes	-							
Special rating area used? (Y/N)		No	No					No		
Phasing-in properties s21 (number)		1052	1,052					1052		
Rates policy accompanying budget? (Y/N)		Yes	Yes					Yes		
Fixed amount minimum value (R'000)		None	None					none		
Non-residential prescribed ratio s19? (%)										
Rate revenue: Rate revenue budget (R '000)	6									
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-

f. Property Rates by Category

LIM334 Ba-Phalaborwa - Supporting Table SA13 Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	Natio nal Monu m/ts	Publ ic ben efit orga ns.	Mi nin g Prop s.
Budget Year 2010/11																	
Valuation:																	
No. of properties		13 101	252	592	685	293	6 302	23	1								

LIM334 Ba-Phalaborwa - Supporting Table SA13 Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monu m/ts	Public benefit orga ns.	Min g Prop os.
No. of sectional title property values		313															
No. of unreasonably difficult properties s7(2)					25												
No. of supplementary valuations		9	6	2													
Supplementary valuation (Rm)		3 165 000	2 900 000	1 500 000													
No. of valuation roll amendments		85	14	19	107												
No. of objections by rate-payers		160	37	86	183												
No. of appeals by rate-payers				1	1												
No. of appeals by rate-payers finalised				–	–												
No. of successful objections	5	85	14	19	107												
No. of successful objections > 10%	5	45	9	17	58												
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation																	

LIM334 Ba-Phalaborwa - Supporting Table SA13 Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monu m/ts	Public benefit orga ns.	Mi nin g Prop op s.
(select) Method of valuation used (select) Base of valuation (select) Phasing-in properties s21 (number) Combination of rating types used? (Y/N) Flat rate used? (Y/N) Is balance rated by uniform rate/variable rate? <u>Valuation reductions:</u> Valuation reductions-public infrastructure (Rm) Valuation reductions-nature reserves/park (Rm) Valuation reductions-mineral rights (Rm)		82		285	685												
Valuation reductions- 197																	
R15,000 threshold (Rm) Valuation reductions-public worship (Rm) Valuation reductions-	2	24 0															

LIM334 Ba-Phalaborwa - Supporting Table SA13 Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monu m/ts	Public benefit orga ns.	Min ing Prop os.
other (Rm)																	
Total valuation reductions:																	
Total value used for rating (Rm)	6	6 234															
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6	7 189															
Rating:																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions -																	
indigent (R'000)																	
Rebates, exemptions -																	

LIM334 Ba-Phalaborwa - Supporting Table SA13 Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monu m/ts	Publ ic ben efit orga ns.	Mi nin g Pr op s.
pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates,exemptns,reductn s,discs (R'000)																	

g. Household Bills

LIM334 Ba-Phalaborwa - Supporting Table SA14 Household bills									
Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11	2012/13 Medium Term Revenue & Expenditure Framework			

Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12 % incr.	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Monthly Account for Household - 'Large' Household	1										
Rates and services charges:											
Property rates		203.13	203.13	304.70	304.70	304.70	304.70	304.70	304.70	304.70	304.70
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		365.70	365.70	604.18	604.18	604.18	604.18	604.18	604.18	604.18	604.18
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		95.08	95.08	105.55	105.55	105.55	105.55	105.55	105.55	105.55	105.55
Sanitation		77.73	77.73	94.91	94.91	94.91	94.91	94.91	94.91	94.91	94.91
Refuse removal		37.52	37.52	45.82	45.82	45.82	45.82	45.82	45.82	45.82	45.82
Other		-	-	-	-	-	-	-	-	-	-
sub-total		779.16	779.16	1,155.16	1,155.16	1,155.16	1,155.16	-	1,155.16	1,155.16	1,155.16
VAT on Services											
Total large household bill:		779.16	779.16	1,155.16	1,155.16	1,155.16	1,155.16	-	1,155.16	1,155.16	1,155.16
% increase/-decrease			-	48.3%	-	-	-	-	-	-	-
Monthly Account for Household - 'Small' Household	2										
Rates and services charges:											
Property rates		-	-	-							
Electricity: Basic levy		-	-	-							
Electricity: Consumption		171.81	182.12	182.12	193.05	204.63	216.91	229.92	243.72	258.34	273.84
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		74.75	79.24	76.35	80.93	85.79	90.93	96.39	102.17	108.30	114.80
Sanitation		38.23	40.52	40.52	42.95	45.53	48.26	51.16	54.22	57.48	60.93
Refuse removal		35.40	37.52	37.52	39.77	42.16	44.69	47.37	50.21	53.22	56.42
Other		-	-	-	-	-	-	-	-	-	-
sub-total		320.19	339.40	336.51	356.70	378.10	400.79	26.2%	450.33	477.35	505.99
VAT on Services											
Total small household bill:		320.19	339.40	336.51	356.70	378.10	400.79	26.2%	450.33	477.35	505.99
% increase/-decrease			6.0%	(0.9%)	6.0%	6.0%	6.0%	12.4%	6.0%	6.0%	6.0%
				-1.14	-8.05	-0.00	-				
Monthly Account for Household - 'Small' Household receiving free basic services	3										

Rates and services charges:											
Property rates		191.63	182.12	182.12	244.21	244.21	244.21	6.0%	258.86	274.91	291.13
Electricity: Basic levy		–	–	–	–	–	–		–	–	–
Electricity: Consumption		191.63	191.63	191.63	191.63	191.63	191.63	6.0%	203.13	215.72	228.45
Water: Basic levy		–	–	–	–	–	–		–	–	–
Water: Consumption		74.75	74.75	74.75	74.75	74.75	74.75	6.0%	79.24	84.15	89.11
Sanitation		38.23	38.23	38.23	38.23	38.23	38.23	6.0%	40.52	43.04	45.58
Refuse removal		35.40	37.52	37.52	38.23	38.23	38.23	6.0%	40.52	43.04	45.58
Other		–	–	–	–	–	–		–	–	–
sub-total		531.64	524.25	524.25	587.05	587.05	587.05	6.0%	622.27	660.85	699.84
VAT on Services											
Total small household bill:		531.64	524.25	524.25	587.05	587.05	587.05	6.0%	622.27	660.85	699.84
% increase/-decrease			(1.4%)	–	12.0%	–	–		6.0%	6.2%	5.9%

h. Investment Particulars by Type

LIM334 Ba-Phalaborwa - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15

R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

The municipality has no entities.

i. Investment by Maturity

LIM334 Ba-Phalaborwa - Supporting Table SA16 Investment particulars by

maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	1	Yrs/Months								Rand thousand	
<u>Parent municipality</u>											
Municipality sub-total										-	-
<u>Entities</u>											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST	1									-	-

j. Municipal Borrowing

LIM334 Ba-Phalaborwa - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework
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R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Unspent Borrowing - Categorised by type										
--	--	--	--	--	--	--	--	--	--	--

Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Municipality has no entities

k. Reconciliation of transfers, Grant Receipts and Unspent Funds

LIM334 Ba-Phalaborwa - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts				96,800	56,287	56,327	56,327	64,761	68,494	74,718
Conditions met - transferred to revenue		-	-	96,800	56,287	56,327	56,327	64,761	68,494	74,718
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts				2,567	2,667	2,667	2,667			
Conditions met - transferred to revenue		-	-	2,567	2,667	2,667	2,667	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year				-						
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts						400	400			
Conditions met - transferred to revenue		-	-	-	-	400	400	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	99,367	58,954	59,394	59,394	64,761	68,494	74,718
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts				14,242	31,129	22,129	22,129	30,778	33,918	42,427
Conditions met - transferred to revenue		-	-	14,242	31,129	22,129	22,129	30,778	33,918	42,427
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										

District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	14,242	31,129	22,129	22,129	30,778	33,918	42,427
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	113,609	90,083	81,523	81,523	95,539	102,412	117,145
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

I. Future Financial Implications

The municipality has no programmes above the three year budgeting cycle

m. Projects Delayed from Previous Financial Years

No project delays from the previous financial year.

N. Summary of capital programmes

Municipal Infrastructure Projects

Budget Allocation

• Matiko-Xikaya Street Paving – Phase 1	R3,000,000
• Kurhula Streets Paving – Phase 1	R4,700,000
• Selwane Street Paving – Phase 1	R3,000,000
• PHB Upgrade of Taxi Rank/ Overhead walkway	R3,000,000
• Honieville to Topville Street Paving	R3,270,597
• BPM_ Highmast light and Energy Saving Street lights	R3,000,000
• Professional Management Fees	R856,403
TOTAL	R20, 827,000

Integrated National Electrification Programme INEG

• Electrification of 121 Units_ Malungane Village	R1,331,000
• Electrification of 216 Units_ Nyakeleng Village	R2,376,000
• Electrification of 27 Units _ Tshube Village	R 297,000
TOTAL	R4, 004,000

NDPG Projects

• Awaiting for the finalisation of business plan	
• Allocation in terms of Dora	R6,000,000

Own Funded Projects

• Electricity master plan	R1,300,000
• Electrification: Refurbishment of 400KV overhead lines	R1,000,000
• Upgrading of Extension at main substation	R1,500,000
• Strengthening of Selati Main to Extension 7 -11KV	R7,000,000
• Refurbishment of 11KV to Extension 5	R1,500,000
• Building of new 33/11 Switches	R6,700,000

• Furniture's and IT Euipment	R2,809,400
• Completion of Gravelotte Dry parks	R 500,000
• Mass Container	R 900,000
• Air conditioners	R 130,000
TOTAL OWN FUNDED PROJECTS	R23,339,400

The estimated capital programme expenditure for the financial year 2012/13 is at R54,117,000

Note: Inclusive on the estimated capital expenditure is an amount of R6 million in respect of Neighbourhood programmes, of which at this stage it is uncertain on which projects to be implemented since the business plan is awaiting for finalization.

The totall estimated budget for the financial year 2012/13 is **R347, 401,000** ,categorised as follows:
operational expenses **R293,284,000** and capital expenditure estimated **R54, 117,000**

23. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I **SETIMELA SIMPSON SEBASHE**, Municipal manager of **BA-PHALABORWA MUNICIPALITY**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and regulations made under the act, and that the annual budget and supporting documents made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: **Sebashe S S (Dr)**

Municipal Manager: **Ba-Phalaborwa Municipality (LIM334)**

Signature: _____

Date: _____